REVIEW OF POLICIES AND PROGRAMS OF THE ECONOMIC DEVELOPMENT ADMINISTRATION AND USE OF FUNDS APPROPRIATED FOR FISCAL YEARS 1987 AND 1988

(100-59)

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT

OF THE

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

SECOND SESSION

MAY 11, 1988

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REVIEW OF POLICIES AND PROGRAMS OF THE ECONOMIC DEVELOPMENT ADMINISTRATION AND USE OF FUNDS APPROPRIATED FOR FISCAL YEARS 1987 AND 1988

WEDNESDAY, MAY 11, 1988

House of Representatives,
Subcommittee on Economic Development,
Committee on Public Works and Transportation,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 2253, Rayburn House Office Building, Hon. Gus Savage (chairman of the subcommittee) presiding.

Mr. Savage. The Subcommittee will please come to order.

This morning the Subcommittee will review management of the programs mandated by the Public Works and Economic Development Act and administered by the Economic Development Administration. Our witness is Mr. Orson G. Swindle III, Assistant Secretary for Economic Development.

In my letter inviting Mr. Swindle to testify I asked that he report to us on how the agency implemented the appropriated funds for fiscal year 1987, as well as the obligation of funds so far in the current fiscal year. In addition, I identified several matters for discussion that I felt would be of particular interest to our members. The letter will be included as part of the official record of this hearing.

For many years, Members have carefully watched over implementation of the EDA programs as part of their oversight responsibility. The purpose has been to monitor administration of the programs, to assure that they are providing the intended assistance to distressed communities, and—when possible—to learn about the results of that assistance.

We have attempted to have an open and mutually informative relationship between the agency and the Congress with a goal of achieving the greatest benefit from the programs and the taxpayers' dollars. During the last eight years the conflict between the Administration and the Congress over the continued existence of the EDA and the value of its programs has unfortunately resulted in misrepresentations and, I think, some misunderstandings about the intended direction of the programs. Today, while we cannot resolve our ideological differences about the agency's existence, I do hope that we can gain some insight about ways to improve the programs.

This committee remains firm, based on the record, that these development programs have had a positive impact on the national economy. They have provided seed money for infrastructure projects and other investments in partnership with thousands of distressed communities and private sector businesses. They have helped to relieve social and economic disruptions by stimulating the kinds of activity needed to promote economic growth and cure some of the imbalances in our Nation's economy. They have played a vital role in many areas which are currently enjoying unemployment rates close to, and even less than, the national unemployment rate of 5.4 percent. Let me just note that that was the rate for April.

Unfortunately, that aggregate figure does not reflect the much higher unemployment rates and problems that exist in many rural and urban communities and among minorities, or the number of jobs lost in many industries. There are pressing needs in many areas. It is in our national interest to help those areas become more productive, to catch up with the remainder of the country.

That is why this Committee has fought for eight years to save EDA from termination. That is why we now are concerned that these programs are facing further cuts. We have already been cut back to about one-third of the amounts provided in 1980. Such cuts in funding will seriously jeopardize our ability to help economically-distressed areas. As we provide support for programs to assist dislocated workers and provide job training and retraining, we must also provide adequate support to help revitalize and diversify some of the local economies and businesses where they live. Judging by the overwhelming vote of 330 to 89 last August when the House passed H.R. 2686, the bill to amend and extend the programs, a majority of our colleagues in this Body share our view.

Now, we know that States, localities, and economic development districts are doing what they can, working with the private sector, to develop job-creating enterprises and improve the lives of their citizens. But they do need some Federal financial help. Their budgets are being seriously tested by many competing costs and by constraints on raising capital imposed by Federal fiscal, tax, and regulatory policies. Too many projects which could help some distressed communities avoid a downward spiral to economic oblivion never get past the planning stage due to a lack of funds.

However, this Committee will continue to do everything possible to keep EDA going and with reasonable funding levels, we must also deal with the reality that EDA is operating at lower funding levels than previously. Therefore, we must do the best we can to get positive results with what we have.

[Letters from Mr. Savage to Mr. Swindle follow:]

MARCH 24, 1988.

Hon. ORSON G. SWINDLE III,
Assistant Secretary for Economic Development,
U.S. Department of Commerce, Washington, DC.

DEAR MR. SECRETARY: I would like to invite you to testify before the Subcommittee on Economic Development of the Committee on Public Works and Transportation on Tuesday, April 19, at 10 AM in room 2253 of the Rayburn House Office Building.

The Subcommittee, as part of its ongoing oversight responsibility, would like to receive a final report on the obligation of funds appropriated for fiscal year 1987, as well as a report on funds obligated up to the date of the hearing from fiscal year 1988 appropriations.

The Committee requests that you also advise us of specific guidelines; funding levels; application procedures and policy initiatives for public works assistance; direct loans and loan guarantees; the revolving loan program; planning and technical assistance, including the university centers; the economic development district program; and economic adjustment assistance for this fiscal year.

There are, in addition, a number of other issues of interest to our Committee. They are: the status of the EDR's; the status of the revolving fund established under section 203 of the Act; the status of your activity in the sale of defaulted loans; the status of the remaining loan portfolio; the effects of the recent reduction in personnel; the Agency's current policy on decentralization of authority to the regions; the status of the local public works and jobs programs; your regional allocation of appropriations for FY 1988 and the formula used for these purposes; your plans to target funds to rural and urban areas; and any plans to alter eligibility standards or to implement Departmental or Administration goals.

Committee rules require that, so far as practicable, the prepared written statement of each witness be filed with the Committee at least two working days before the hearing date. We would also appreciate your having 75 copies of your statement available at the hearing.

Should there be any questions about your participation, please contact Subcommittee staff at 225-6151. We look forward to hearing your testimony and discussing with you the economic development programs.

Sincerely,

GUS SAVAGE,
Chairman, Subcommittee on Economic Development.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, April 21, 1988.

Hon. ORSON G. SWINDLE III,
Assistant Secretary for Economic Development,
U.S. Department of Commerce, Washington, DC.

DEAR MR. SECRETARY: This is in reference to my letter to you of March 24 inviting you to testify before the Committee on Public Works and Transportation. I would like to confirm that the hearing, originally scheduled for April 19, has been rescheduled for Wednesday, May 11 at 10 a.m. in room 2253 Rayburn House Office Building. The rest of the March 24 letter outlining the Subcommittee's interests and requirements remains the same.

We look forward to your testimony.

Sincerely,

GUS SAVAGE,
Chairman, Subcommittee on Economic Development.

Mr. SAVAGE. Mr. Swindle, I want to welcome you and your staff here this morning. We look forward to hearing about your operation of the EDA and the effects of this program during the past fiscal year and what administrative activities have been implemented or are being contemplated for the current year. We will undoubtedly have several questions to ask of you. If time runs short we will send some of them to you following today's hearing, and your replies will be included in the printed record.

Mr. Clinger?

Mr. CLINGER. Thank you very much, Mr. Chairman.

I want to join in welcoming you, Mr. Secretary, to this oversight hearing with your colleagues. I'm particularly pleased to see my former colleague, Mr. Marten, who kept me on the straight and narrow when I was Chief Counsel at the agency and kept me out of trouble. I'm pleased to see him again.

As the Chairman has indicated, this morning's oversight hearing on EDA's activities for this fiscal year is, by your statement, Mr.

Secretary, perhaps the last time that we will have the opportunity of your appearing before this committee, at least in your present capacity as the Assistant Secretary. Before I say anything else I really want to express to you my personal appreciation—and I think I speak for the subcommittee—for the job that you've done as the administrator of this agency.

For those of us who support the mission of EDA and who have fought to retain the program in the face of persistent Administration opposition, I can certainly recognize the difficult role that you've had to fill over these last couple of years. Your appointment was no doubt predicated on working to close out the program, and that goal has been thwarted by a Congress which has consistently funded the program. But I think that you have taken the correct position, which was that as long as the program was there, you were going to administer it in as efficient and as cost-effective a way as you can. I think you've done that.

So I think you've done a very credible job and have managed the agency extremely well, regardless of your mandate, and I would have to say that I hope such a compliment does not in any way jeopardize you with the Administration. [Laughter.]

The mission of the Economic Development Administration now more than ever, in the opinion of the subcommittee, must be maintained. Despite gains achieved in our economy and despite record levels of employment nationwide, many communities still do suffer and many have not yet enjoyed the resurgence enjoyed by our robust economy.

It is ironic that the Administration's efforts to streamline Federal programs to target scarce resources more efficiently and its emphasis on local initiative and management has led to one of the longest sustained periods of growth in our Nation's history, but these very same features may very well leave the "have-nots," if you will, with an even slimmer chance of breaking this cycle of slow growth/no growth. It is these areas which I believe must be served through the kind of Federal assistance available through EDA, and I think that it is indeed the most qualified agency to provide that kind of very special, targeted assistance.

The Federal Government's partnership with State and local governments is now, as we're all aware, undergoing a major transition, one that significantly reduces Federal exposure and that increases State and local investments in these kinds of resources. Wastewater construction grants are going to be eliminated in the next few years, to be replaced by a loan program managed at the State level. Revenue sharing has been eliminated. The Interstate Highway Program is soon going to be concluded. Communities all across the country are facing stringent Federally-imposed performance requirements for their water supply systems without receiving one Federal penny, and all communities, healthy and struggling, are facing an incredible task of managing their solid waste. The problems are very real and they are very extensive.

I think that the Federal Government has a continuing role, to play and I think that the very careful investment of Federal resources in the communities that have both the human and physical infrastructure to promote economic development has been a wise investment of the Federal dollar.

So we welcome you here today, Mr. Secretary. We look forward to your testimony and look forward to exploring your stewardship of the agency over the past year and what you propose for the year ahead.

And thank you, Mr. Chairman. I would ask unanimous consent that a statement by the ranking member, Mr. Shaw, be admitted in the record at this point.

Mr. SAVAGE. With no objection, so ordered.

[Mr. Shaw's prepared statement follows:]

STATEMENT OF HON. E. CLAY SHAW, JR.

Good morning Mr. Chairman, I would like to welcome Assistant Secretary, Orson Swindle and his associates who are with us this morning to review the Economic Development Administration's activities for fiscal year 1988 and the pending fiscal year 1989 budget request.

Mr. Swindle and I had an opportunity to meet for a short time yesterday to discuss several of the agency's current initiatives.

For an agency that is supposed to be terminated you seem to be doing a considerable amount, Mr. Swindle, given the limited resources available.

Economic development is clearly the cornerstone to the economic vitality of cities and communities throughout the Nation.

Unfortunately, this is an issue which has little or no constituency, but it is critically important to the economic and social stability of all Americans.

When we speak of infrastructure we are talking about the framework upon which communities are built, on which jobs are provided, and on which businesses and all citizens prosper.

Economic assistance which we can provide often is the glimmer of hope toward revitalization.

True lasting and long-term prosperity, however, is dependent upon the coordination of all resources both internal and external of the community and they must serve as a catalyst which uses the private sector as the foundation for success.

This concludes my statement, and I look forward to hearing from the Assistant Secretary.

Mr. SAVAGE. Mr. Ballenger?

Mr. BALLENGER. I don't have anything, Mr. Chairman.

Mr. SAVAGE. Mr. Secretary?

TESTIMONY OF HON. ORSON G. SWINDLE III, ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT, U.S. DEPARTMENT OF COMMERCE, ACCOMPANIED BY S.M. McGEEHAN, JR., DEPUTY ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT; JAMES L. PERRY, DEPUTY ASSISTANT SECRETARY FOR GRANT PROGRAMS; STEVEN R. BRENNEN, DEPUTY ASSISTANT SECRETARY FOR LOAN PROGRAMS; JAMES F. MARTEN, OFFICE OF GENERAL COUNSEL; AND VINCE GOODMAN, BUDGET OFFICER

Mr. SWINDLE. Mr. Chairman, members of the subcommittee, counsel, thank you for the opportunity to present to you an overview of the 1987–1988 program operations for the Economic Development Administration. In addition, I would also like to take this occasion to apprise you of current management and legislative initiatives underway and the positive impact these initiatives will have on the agency.

With your permission, I have submitted a more detailed statement that I would like submitted for the record. I will try to summarize that in very brief form so that we can get on to any questions you might have.

Mr. SAVAGE. Without objection, so ordered.

Mr. **Swindle**. I appreciate the kind comments and the welcome you have given me, both you and Mr. Clinger, and I would hope that my future career in politics has not been overly jeopardized by Mr. Clinger's praise. [Laughter.]

As long as people keep writing books, I think any criticism of me might pale into insignificance, so I won't worry too much about it. It's always a pleasure to be with you.

Mr. **Shaw**. Mr. Secretary, you don't know what Mr. Clinger put in the record on my behalf. [Laughter.]

Mr. **Swindle**. I will reserve comments.

For fiscal year 1987, EDA was appropriated $25 million in administrative funds, $150 million in loan guarantee authority, and $189.9 million in grant funds, of which $9.5 million was for specific Congressional add-ons. I cannot help but editorialize here, when the Chairman talks about correcting imbalances, I would ask that the committee look very closely at the add-ons and look at the unemployment rates that are typically associated with them. We are creating more imbalances by those kinds of actions, which I know this committee has not participated in, but it is a major problem which I will address later.

The availability of 1987 grant funds and selection criteria were published in the Federal Register in December, 1986. In 1987, EDA continued the 1986 initiative that I set forth, placing increased emphasis on the economic recovery and development needs of rural areas. In the area of public works, 177—or 84 percent—of our 211 grants were awarded to rural areas. In terms of dollars, this amounted to roughly $95 million, or 80 percent of our total discretionary public works funding. As I said, some of it was earmarked and taken away from our discretion.

The Economic Adjustment Program had 54 projects, or 74 percent, of its total of 73 grants going to rural communities, and this amounted to roughly $18 million or about 68 percent of the $26 million total.

In fiscal year 1988, EDA was appropriated $24.7 million in administrative funds, $150 million in loan guarantee authority, and $182 million in grant funds, of which $6.7 million was, again, for specific Congressional add-ons. The same characteristics of extraordinarily low unemployment and high per capita income were present there, also.

To date we have obligated approximately $73 million in discretionary grant funds. I might add—I calculated it last night—we are about $17 million ahead in obligation of where we were last year at this time, or at least at the end of April.

We have also processed about $9.8 million in Congressional add-ons. Some were carry-overs from previous years and some were this year's add-ons.

The availability of 1988 grant funds and selection criteria were published in the Federal Register on January 19, 1988, and the selection criteria were basically the same as were published in 1987.

I might add that in 1987—the Chairman was referring to what he hoped would be our efforts at running the program, that we would concentrate on areas of greatest need—our grants in fiscal year 1987 for public works averaged about $600,000 each, and the unweighted unemployment average for those grants was over 12 percent. The add-ons characteristically have unemployment rates of less than 4 percent. That will give you an idea of how unjust the Congressional add-on process is.

The Economic Development Administration is authorized by law to maintain 49 EDR's. At present, EDR's are located in 43 States and the Commonwealth of Puerto Rico. Seven States—Delaware, Kansas, Nebraska, Nevada, Rhode Island, Vermont, and Wyoming, and the District of Columbia—do not have resident EDR's. Two States, California and Texas, have three EDR's, obviously because of size.

To improve the overall quality, timeliness, and efficiency of services provided by EDA, five EDR officers were relocated in fiscal year 1987, and one office has been relocated to date in 1988.

At the end of fiscal year 1987 the revolving fund had an unobligated balance of $42 million. Outstanding loan guarantees were $95 million. The revolving fund, very briefly, is that reserve of funds that we have which is established, I think initially, by appropriations but we add to it through our collections. It is established to cover our obligations on the loan guarantees and pay for certain loan administration costs. We have $95 million in outstanding loan guarantees and only a $42 million balance. At a ratio of two to one for this asset-to-liability comparison, while somewhat less than has historically been the case, it does not in itself present a problem. Outstanding loans were valued at $580 million, of which approximately $386 million, or 67 percent, were in default. Not a very pleasant figure. Of the latter amount, some $230 million is attributable roughly to defaulted or acquired Steel Program loan guarantees.

During fiscal year 1988 the responsibility for the Trade Adjustment Assistance loans and loan guarantees, which had been administered by the International Trade Administration over in the Department of Commerce, has been transferred by Congressional mandate to EDA for administering and will be a liability against the EDA revolving fund.

The Trade Adjustment Assistance reserves, those assets to back up those guarantees, were not transferred with the loan guarantee portfolio. The revolving fund balance could be further reduced by as much as $16 million should demands be made on those loans. In the event EDA honors the demands on the Trade Adjustment Assistance loan guarantees, there is an ever-increasing likelihood that the agency may have to request of the Congress an appropriation to cover these additional and traditional demands of payoffs on failed loans.

EDA's annually appropriated funds cannot be used to sell private interest loans made by EDA or guarantees acquired by EDA except with the consent of the borrower. This is a product of the McDade amendment of several years ago. This limitation restricts EDA's ability to sell off portions of its loan portfolio and the acquired guarantees to the private sector or interested investors which would, in essence, maximize recoveries to the Federal Treasury if we were allowed to do so, and it would reduce the Federal Government's involvement in credit markets. The problem could be resolved or solved by the repeal of the McDade amendment because borrowers are reluctant to consent to the sale of their loans unless they know the identity of the potential purchaser beforehand. This limitation has effectively eliminated the Department's authority—or "ability" is perhaps a better word—to conduct a public sale of its loan portfolio.

In February of 1987, EDA initiated a reduction in force geared toward reducing overall staffing and increasing the number of employees located outside of Washington, that is, in our six field offices. Prior to 1987, over 50 percent of EDA's employees were located in Washington. Having streamlined processing and decentralized decision-making, it was obvious to me that EDA not only needed to reduce staff but also had to correct an inappropriate distribution between headquarters and the field.

The February 1987 staff reduction increased the number of regional employees to over 55 percent of the agency's total, a complete reversal of the traditional staffing distribution of the past. Subsequently, I directed that my Operations Planning and Analysis staff conduct an in-depth workload and staffing analysis on all regional or field operations. While this study has not been finalized, preliminary findings indicate that a further redistribution of staffing may be warranted.

I might add that we have gotten to the point now that the Civil Service system and its seniority system through RIF's has almost gridlocked in a situation where we have inappropriate skills in the wrong places. There is virtually nothing I can do to solve that without rather drastic personnel action or adverse action, which I don't intend to take. I would like to solve it through attrition, but it makes it very difficult to manage. In essence, there is nothing we can do about it.

As I have testified on previous occasions, one of my major goals as Assistant Secretary for Economic Development has been to return EDA to its rural roots. This policy reflects my conviction that with limited dollars, the existence of other Federal grant programs for urban areas, and the high levels of distress in many rural communities, EDA can be most effective if it devotes most of its attention to rural areas. This focus has resulted in increasing the proportion of EDA resources to such places, but has not removed the agency from urban America.

Our fiscal year 1988 regional funding allocations are similar to those of fiscal year 1987, except for some shifts toward the relatively more distressed Chicago and Austin regions. I might add that this shift was not because the Chairman is from the Chicago area. It turned out that statistics indicated a shift was appropriate.

Regional allocations are not derived from some fixed formula. We take into account a large number of factors, including income, employment patterns in the area, out migration—I even go to the extent of looking in particular rural areas at the farm credit situation, bank failures, the tax base erosion, things of this nature.

We are continuing to monitor and close out projects funded under the 1976 Local Public Works Program and the 1983 and 1984 Emergency Jobs Act appropriations. It is hard to believe that those programs still have residual activity. The LPW program, which terminated as far as funding goes in 1978 or 1979 has been extended due to Congressional action and intense lobbying, in particular by New York City. We continue to have to deal with millions of dollars that were left over after funding was allocated, projects completed, and excess funds remained. New York City continues to use those funds; and I hope we will clear the LPW program up this year and there will not be a roll-over in this year of any excess funds, New York City has received over one-twelfth of all the funds that EDA has ever disbursed in its entire history. One would have to conclude that they have had their share.

We expect all the traditional LPW projects to be closed by the end of fiscal year 1988. Completion and close-out of the jobs projects may extend well into fiscal year 1989 and fiscal year 1990, since some of these projects are still under construction.

Since its inception, the basic premise of EDA's University Center Program has been that of funding universities with seed money to directly involve the universities in the economic development of distressed areas in particular States, or areas of States. Periodically, consideration was given to graduating old university centers; and typically, Mr. Chairman, we fund university centers at somewhere in the range of $80,000 to $100,000 a year.

We considered graduating old centers in the past and using those funds saved by diminishing the funds to individual centers that had been on the program for a long time to start new ones, using the basic argument that if the program is sound, it would make sense to proliferate it. If we really believe that we are giving seed money, then after a period of time the university should—if they are worth their salt—be compensated by the State governments or by those customers in the business community that they serve, and they should be able to stand on their own.

Over two years ago I started discussing with many members of the various oversight and appropriations committees and Members in the Congress my plans to graduate university centers that had been on the program for extended periods of time. As you are aware, language was in the fiscal year 1988 conference report which in essence directed EDA to refrain from implementing its policy until fiscal year 1989. As a result of this, we have postponed initiation of the phase-out process. Although we had given two years warning that we were going to graduate and the centers had plenty of time to discuss it, we delayed our implementation to the first month of fiscal year 1989. Needless to say, this position will limit our ability to help other colleges and universities become involved in economic development.

Within the next month we expect to publish a notice in the Federal Register announcing new policy guidelines for the State and Urban Program, and inviting proposals for funding. Among the factors expected to influence our funding decisions are the level of distress in the areas to be served—I think that is what EDA was designed for; the degree of commitment by the chief executive of the State or the major urban area; and the relationship of the proposed activities to the needs of the service area, including its unemployed and underemployed.

One of my first actions as Assistant Secretary was to conduct a comprehensive management audit to identify weaknesses in our program delivery, personnel management, and general administration. We did accomplish that. We came out with a very good product which opened our eyes, and a number of things have been accomplished.

We have streamlined processing and eliminated headquarters duplication of regional office work. We decentralized decision-making within the application processing cycle, to include final decision or approval on all local technical assistance projects and recurring planning and university center grants out in the field rather than in Washington. I have implemented a pipeline concept whereby a continuous flow of quality grant invitations and applications is being considered by EDA throughout the year. This explains to a great extent our ability to obligate funds at a greater rate than in the past.

We have clarified standard grant invitation language so as to eliminate the historical perception that when EDA issues an invitation to a public body to submit an application, that this was tantamount to approval. Such was not the case but it was not understood that way, and I think we have a much better understanding of it.

Mr. Chairman, these are just a few of the management issues that I have addressed at EDA. While obstacles remain, none presents a greater problem at EDA than having to devote limited resources, both in terms of staff and dollars, to special projects mandated by Congress. Most of these special projects could not have successfully competed under the criteria set forth in the Public Works and Economic Development Act of 1965, the basic organic act of this agency. Since 1984, EDA's appropriation has contained over 20 special projects with a total value in excess of $108 million. While these projects likely did create some jobs, their impact is far less than it might have been under normal competitive procedures. As I said, last year in the projects we had control over, the average unemployment was over 12 percent. More important is the fact that these monies which were mandated by Congress to be used for special projects serve the special interests of certain Members. We would have directed those monies toward areas with greater economic distress and would thus have been more likely to benefit the people that this agency was supposed to serve.

In addition to the management issues, EDA has also formulated numerous legislative proposals. We are in the process of having the Office of General Counsel review these proposals. We also urge the Congress to discontinue funding for particular projects and to stop forgiving debt and grant violations. We have had a number of instances where we have had grant recipients flagrantly violate the contract agreements with the agency. As a result we have lost major investments, millions of dollars in investments and real estate, totally out of our control. On some occasions where we have caught the act before it was concluded, the Congress have give exemptions to those offenders and let them off the hook, so EDA and the public have lost its investment. These pieces of real estate were essentially turned over to for-profit organizations which is a direct conflict, I think, of what we are supposed to be doing.

EDA's authorizing legislation provides for EDA to acquire liens on property purchased or improved with EDA loans or loan guarantees, but not for property purchased or improved with grant funds. Further, EDA lacks the authority to expend or advance funds for protective bids or payoffs, or to protect and care for such EDA grant-funded or -financed properties. We are pursuing regulations and legislation to enable EDA to protect its interests by acquiring liens on property purchased or improved with EDA grant funds.

EDA has consistently faced problems with environmental clean-up at sites where EDA loans are being liquidated. I think the Chairman is well familiar with Wisconsin Steel. We have a major environmental problem there. EDA wants to change its requirements to enable it to deny payment to a guaranteed lender which fails to uncover actual or potential environmental problems at the time of application to EDA. EDA would include a provision that would subject applicants and borrowers to fraud charges if they failed to disclose environmental problems to EDA. EDA's draft proposed rules are currently being reviewed by the Department of Justice's Environmental Defense Section.

EDA is considering a proposal to permit the de-designation of areas which no longer meet the criteria for eligibility under PWEDA. If de-designation is permitted, approximately 400 economically healthy areas will no longer be eligible for EDA financial assistance.

Mr. Chairman, this concludes my summary of a more detailed statement which has been submitted for the record. I have with me Mr. Stan McGeehan, Deputy Assistant Secretary for Economic Development; Mr. James Perry, Deputy Assistant Secretary for Grant Programs; Mr. Steve Brennen, Deputy Assistant Secretary for Loan Programs; Mr. Jim Marten, sitting in for General Counsel Joe Levine; and also Vince Goodman of my Budget Office. We would be happy to answer any questions that the committee might pose. Thank you very much for allowing me to make this statement.

Mr. SAVAGE. Thank you very much, Mr. Secretary.

Particularly in regard to the detail of your statement, which is substantially in response to my letter to you, let me also indicate that I appreciate your stern fiscal responsibleness regarding the EDA programs. Of course, we may still differ with regard to the need—how great the need—and the value of EDA.

The data you have provided about fiscal year 1987 obligations and the projects that EDA money has participated in is very helpful. It is of particular interest when we see data that shows the results of the projects and the dollar investments. Recently we were advised, that in 1987, $117.9 million of Federal investment in EDA public works projects was matched by $1.417 billion in local and private sector funds, which would mean that EDA dollars were leveraged about 12 times. We were also advised that the EDA investment created 55,890 long-term jobs at a cost of only $2,108 of EDA dollars for long-term jobs. Do you agree with that?

Mr. SWINDLE. Mr. Chairman, those are figures that we tried to put together. Hopefully they are accurate; I seriously have my doubts. One could argue very easily that most of that probably would have happened without the EDA dollars.

If the investments are productive and are going to be profit-making, I can assure you that investors will invest. We find time and time again, by merely saying that we're not going to give that much in grants, that private dollars just seem to appear from nowhere.

These are nice figures and I hope they do reflect accurately what is happening. I have my own doubts as to whether they do.

Mr. SAVAGE. You are suggesting that—I mean, you are contradicting your own figures?

Mr. SWINDLE. No, I am saying that I would be reluctant to place a great deal of faith in how these figures were arrived at, in all honesty. We find in going back later and looking into the claimed job creation it is oftentimes not true. Our University Center Program alone is the subject of one of the worst audits I have ever seen by the Office of Investigation. It basically said that the claims of job creation are totally inaccurate.

It is difficult to get really accurate figures on a lot of these things, and it's also very difficult to ascertain whether or not those jobs would have been created anyway.

Mr. SAVAGE. Well, excluding the add-ons, basically when you approve an application it's because the private sector has already failed, right?

Mr. SWINDLE. Has already what?

Mr. SAVAGE. Already failed to take advantage of an economic development opportunity in an area of need. Is that not true?

Mr. SWINDLE. I do not know that you could say that. I am not sure I understand what you mean, but I do not think the private sector has failed. I think the private sector always likes to get free money and they will take it any way they can get it.

Mr. SAVAGE. I mean in approving grants and guaranteed loans you don't go around forcing money into areas where there is no need or on the private sector where the private sector has exhibited a willingness to fulfill a potential that exists. Is that right?

Mr. SWINDLE. We do not force our money on anyone. We react to applications and try to weigh the merit of those applications against certain economic factors which I have mentioned, mainly unemployment.

Mr. SAVAGE. Let me ask, would that relate to the proportions that you've just described pursuing, the 80 percent rural. As you know, I've expressed concern about what I have considered to be an imbalance previously.

Your goal is, as you say in your statement, "to return EDA to its rural roots." Well, this in my estimation reflects a misrepresentation of the legislative and administrative history of the programs. EDA is not, and was not, solely a rural program.

Mr. SWINDLE. I agree with that, Mr. Chairman. I did not say it was solely rural, but the emphasis was on the rural and lesser developed areas of the country. If you look at the history of obligations in the early years, the vast, vast majority—in fact, up above 90 percent—of the obligations, in public works in particular, were obligated in rural areas.

Mr. SAVAGE. Well, let me add this, however, that the whole issue of targeting of one area over another has come up before. As early as 1967 Congressman Farbstein of New York offered an amendment to focus funding on urban areas. This Committee, including its urban Members, unanimously opposed that amendment and has continued to resist attempts to write specific formula language into the legislation that would exhibit any preference for one type of area over another. But your statement seems to me to imply a distinct preference for rural areas, and I believe that projects should be approved on their individual merits and not on whether they are located in a rural or urban area. Prior administrators have managed to maintain an equal distribution, not an 80/20 imbalance.

Mr. **Swindle**. No, sir, I don't think that's exactly right. I am having a hard time hearing you.

Mr. **Savage**. Excuse me, please. Let me mention that these microphones are all live, so if it is necessary for some whispered conversation, would you kindly push the mike away so that it won't carry over.

Mr. **Gray**. We were saying good things about you, Mr. Chairman. [Laughter.]

Mr. **Savage**. Mr. Swindle, about the rural/urban business, we were interrupted.

Mr. **Swindle**. I think there has been an ebb and flow of this emphasis as I recall the statistics, and I can certainly provide for the record the obligations in the public works program in particular, which is the bulk of the program, of how it's gone from one extreme to the other. As I said, I think I recall seeing a figure in the 1960's where something on the order of 98 percent went to rural areas. During the late 1970's the emphasis seemed to swing back to the big cities, and that's where New York, Chicago, and Los Angeles picked up hefty sums of EDA money, primarily under the LPW program.

But I can assure the Chairman that we do look at projects on their individual merit. No application is turned down because it's from an urban area, I can assure the Chairman of that.

Mr. **Savage**. Let me say two things. The Local Public Works Program to which you refer was not a part of the EDA legislation, of course. But let me also point out, where the figures indicate this swing, this pendulum effect that you are pointing out, the New York thing and then back to the rural, that I am concerned about whether or not you are continuing this swinging back and forth by pushing it back to the other extreme rather than trying to bring it back to the middle, as was originally intended by the legislation in my estimation.

But before going on to another Member, let me just observe—although you did not imply otherwise, I'm sure—that this business of forgiveness and the add-ons by Congress, let's just make it clear for the record that add-ons and forgiveness have never come out of this committee.

Mr. **Swindle**. Absolutely. That is correct, sir, and I appreciate that.

Mr. **Savage**. And of course, you understand why we are almost helpless to do much about it, because first of all if we were to argue that it was out of order on the floor we would possibly lose the appropriations for EDA altogether. And number two, without the appropriations——

Mr. **Swindle**. Sort of like the absence of a line item veto, isn't it? [Laughter.]

Mr. **Savage**. Without the appropriations we'd have no EDA, since we've been unable to get the authorizations through the Senate side. And of course, there are those in the Administration who would like that to happen, who would like to see EDA disappear.

But if our choice were between the forgiveness and some of the add-ons and EDA being eliminated, I think we would still stand for EDA.

If I just might add one other point so that it won't be confused as a matter of kissing and telling, and that is that I did not, nor did any of our staff on this subcommittee, tell you to make shifts toward the Chicago area. And number two, we certainly haven't kissed over the matter because in the shifting, much of it—though going through the Chicago Regional Office—does not end up in the Chicago metropolitan area but goes back into rural areas, because not too far from Chicago there are still rural areas.

But having said that, let me now recognize Congressman Shaw.

Mr. **Shaw**. Thank you, Mr. Chairman.

Mr. Swindle, of the EDA revolving funds that are in default other than the steel loans, how much of the roughly $156 million do you feel is recoverable?

Mr. **Swindle**. Probably very little. It would be difficult to estimate because so often these things are in liquidation, and when you are having fire sales you do not get much on the dollar.

I do not think we are in serious jeopardy today. We have suffered most of our payouts from the revolving fund on the steel loans; last year I think it was in excess of $180 million just on two, LTV Steel and Wheeling-Pitt.

We do not have a lot of those big guarantees left. I am hopeful through our collections, which we have a rather intense effort there to collect on the loans, we will be restoring monies to hopefully offset any future demands we might have.

The addition of the liability of the Trade Adjustment Assistance loans from the ITA that was legislated in the language of this last appropriation bill has given us an additional liability that will make it somewhat precarious because so many of those loans are in default and very likely will have a demand against them. But that is why I am making the statement that it would not surprise me at some point in the future to see Commerce have to come to the appropriations committee and ask for a supplemental appropriation to cover our liabilities.

It is not a good situation. It is not hypercritical right now, but it could very well go that way if things do not turn out better than they have been in the past.

One further point of elaboration, and I think I said this in the summary. When the Trade Adjustment Assistance portfolio was transferred to EDA for management and accountability, Congress did not transfer to EDA the reserves which stood behind those loan guarantees to pay them off if demands were made. So now we have to assume that liability with the EDA revolving fund.

Mr. **Shaw**. What was the amount of that?

Mr. **Swindle**. I think somewhere upwards of $8 million to $10 million.

Mr. SHAW. And what is the size of the supplemental that you would guess that you would be coming back for?

Mr. SWINDLE. I would not even begin to speculate at this point. We will have to see how that develops. Hopefully we will be doing a lot of collecting and minimize the effect of it. I am not sure.

Mr. SHAW. All right. This is the last question I am going to be asking, regarding the Fort Worth stockyard project. Has a specific plan been submitted? And if so, by whom? Have funds been made available by EDA? Were the funds appropriated by the Congress no-year funds that are available until expended?

Mr. SWINDLE. In reverse order, the funds are, as I recall, no-year funds. It is $11.8 million. It was done in two consecutive years, fiscal year 1986 and 1987, in increments of $7 million and $5 million, as I recall.

Applications were discussed early on. They were not applications that we could in any sense of good conscience accept, and we never got beyond preliminary discussions with the Fort Worth officials. The uses were just not good. They were scandalous. We have had several conversations since. The conversations have diminished greatly in this past year, and to my knowledge there has not been a serious proposal put forth in at least six months on that project. And we have not dispensed the money, no, sir.

Mr. SHAW. What uses were suggested?

Mr. SWINDLE. It was somewhat unclear. It was to be used for the Fort Worth stockyards. Some of the original proposals, as I recall, were to build an amphitheater. I think the first proposal was to take the entire $12 million, put it in a revolving loan fund, and then loan it to the proprietor of a large entertainment establishment which is now bankrupt, and it was going to be on a 50-year note, no payments for 15 years and then only interest for a number of years—it was a good deal for the borrower. I would like to have had it. I could have made money on it. We sort of turn those down outright, and nothing serious has ever come forward since then.

Mr. SHAW. Do these things just hang around until someone comes up with something?

Mr. SWINDLE. Well, the no-year money—I would have to defer to the Congress to tell me what that really means. I assume it means in perpetuity, so I guess it will be around until whatever. Maybe it could be repealed by Congress. It would be a good one to strike; we could save the taxpayers a little bit of money on that one.

Mr. SHAW. Thank you.

Thank you, Mr. Chairman.

Mr. SAVAGE. Mr. Oberstar, do you have any questions?

Mr. OBERSTAR. Thank you, Mr. Chairman.

Mr. Swindle, on pages 19 and 20 you address the de-designation issue. Those 400 areas you say are economically healthy, do you have a listing of those? Could you provide that to the committee?

Mr. SWINDLE. We can do that, yes, sir. We would be glad to do that.

[The following was received from Mr. Swindle:]

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RUN DATE  03/04/88                                                                                                                      PAGE NO.   1
REPORT CONTACT IS JERRY HOFFMAN
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MEDIAN FAMILY INCOME LESS THAN OR EQUAL TO $9958.
PER CAPITA EMPLOYMENT LOSS AND OUTMIGRATION FROM 1970 TO 1980.

ST   · EDA AREA NAME          CUR    1970    UNEMP %   1979    PCE    MIGRATION    DESIGNATED   DESIGNATED   LESS THAN   MORE THAN   TOTAL
AB                            BASIS  MFI     2 YR END  MFI     LOSS   (NEG = OUT)  LESS THAN    MORE THAN    3 YR DSG    3 YR DSG    AREA
                              QUAL           12/87                                 3 YEARS      3 YEARS      COUNT       COUNT       COUNT

AK ALEUTIAN ISLANDS AREA      8       8553    3.7                                               66/05/19                    1           1
AK BARROW AREA                1,8     6571    6.1                                               66/02/25                    1           1
AK KODIAK AREA                8      11161    6.5                                               68/07/01                    1           1

     STATE TOTALS                                                                                            0              3           3

AL BAYOU LA BATRE-CODEN       4          0                                                      70/10/02                    1           1
AL ELMORE COUNTY              6       6891    6.4      17510  003.5   020.4                     84/09/21                    1           1
AL MADISON COUNTY             8      10437    6.3      19350  006.1   003.7                     78/02/01                    1           1
AL PRITCHARD SPEC IMP AREA    6          0                                                      75/05/16                    1           1
AL SHELBY COUNTY              6,8     7134    6.1      20514  007.1   062.2                     78/05/01                    1           1

     STATE TOTALS                                                                                            0              5           5

AQ AMERICAN SAMOA             2          0                                                      66/04/13                    1           1

     STATE TOTALS                                                                                            0              1           1

AR BAXTER COUNTY              2,8     5198    6.0      12755  001.4   081.4                     72/05/18                    1           1
AR BENTON COUNTY              6       6505    4.3      15760  003.3   049.4                     77/04/05                    1           1
AR BOONE COUNTY               6       5831    5.9      13270  005.0   032.2                     77/11/10                    1           1
AR CALHOUN COUNTY             8       5445    5.6      12643  006.4   009.3                     70/08/07                    1           1
AR CARROLL COUNTY             8       5551    6.5      12915  002.0   031.4                     69/03/18                    1           1
AR CRAIGHEAD COUNTY           6,8     6725    6.1      15243  006.8   014.4                     77/04/05                    1           1
AR IZARD COUNTY               2,8     4775    6.2      11316  000.5   049.1                     66/01/28                    1           1
AR MARION COUNTY              2       3970    6.4      11332  006.5   063.7                     66/01/28                    1           1
AR PULASKI COUNTY             6       8350    6.4      18509  006.6   007.6                     77/11/10                    1           1
AR SCOTT COUNTY               8       4840    4.3      10666  002.0   015.6                     65/12/21                    1           1
AR SEBASTIAN COUNTY           8       7427    6.3      16524  004.2   011.9                     76/09/13                    1           1
AR WASHINGTON COUNTY          6       6825    4.5      15780  005.3   021.3                     77/04/05                    1           1
AR YELL COUNTY                2       5843    6.2      12370  000.2   016.3                     72/09/15                    1           1

     STATE TOTALS                                                                                            0             13          13

AZ BISBEE CITY OF             4          0                                                      70/07/14                    1           1
AZ DUNCAN, TOWN OF            6          0                                                      80/03/24                    1           1
AZ MARICOPA COUNTY            8       9853    5.5      20478  006.7   043.2                     78/04/04                    1           1
AZ PHOENIX, CITY OF           8       9953    5.7      20365                                    75/09/17                    1           1
AZ TUCSON, CITY OF            8          0    5.5      17395                                    79/07/26                    1           1

     STATE TOTALS                                                                                            0              5           5

CA ALAMEDA COUNTY             8      11131    5.5      22863  007.7   002.7                     75/08/25                    1           1
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ST AB	EDA AREA NAME	CUR BASIS QUAL	1970 MFI	UNEMP % 2 YR END 12/87	1979 MFI	PCE LOSS	MIGRATION (NEG = OUT)	DESIGNATED LESS THAN 3 YEARS	DESIGNATED MORE THAN 3 YEARS	LESS THAN 3 YR DSG COUNT	MORE THAN 3 YR DSG COUNT	TOTAL AREA COUNT
CA	CONTRA COSTA COUNTY	8	12422	5.2	26510	008.6	011.4		76/09/13		1	1
CA	EL DORADO COUNTY	1,8	9451	5.4	20173	007.0	089.2		66/02/09		1	1
CA	GREATER E.LOS ANGELES	6	0						77/09/30		1	1
CA	GUADALUPE SIA	6	0					88/02/09		1		1
CA	LOS ANGELES COUNTY	8	10968	6.3	21125	006.3	001.6		73/03/28		1	1
CA	MARIN COUNTY	8	13931	3.4	29721	013.9	002.8		75/10/03		1	1
CA	MARIPOSA COUNTY	1,8	7752	6.3	15833	006.1	084.5		66/07/01		1	1
CA	NEVADA COUNTY	1,8	8295	6.5	18842	006.5	095.7		67/04/27		1	1
CA	ORANGE COUNTY	8	12238	3.6	25918	012.1	025.4		73/02/28		1	1
CA	PLACER COUNTY	8	9724	5.6	21662	007.8	046.5		69/05/06		1	1
CA	RICHMOND (PT) CITY OF	6	0						71/04/29		1	1
CA	SACRAMENTO COUNTY	8	10561	5.8	20949	007.5	015.5		76/04/23		1	1
CA	SAN BERNARDINO COUNTY	8	9438	5.5	20038	006.6	022.0		73/04/24		1	1
CA	SAN BERNARDINO IMP AREA	6	0						75/02/06		1	1
CA	SAN DIEGO COUNTY	8	10129	4.7	20304	008.9	027.7		73/08/02		1	1
CA	SAN FRANCISCO CITY/CNTY	8	10495	5.0	20911	005.9	005.6		72/08/24		1	1
CA	SAN JOSE, CITY OF	8	11926	6.0	25598				79/04/17		1	1
CA	SAN MATEO COUNTY	6	13218	3.5	27279	010.2	000.1		77/01/31		1	1
CA	SOLANO COUNTY	8	9878	6.5	21606	009.3	024.1		73/10/09		1	1
CA	SONOMA COUNTY	8	9666	5.3	21269	010.3	040.8		68/08/12		1	1
CA	SO. CENTRAL LOS ANGELES	6	0						70/04/02		1	1
CA	VENTURA COUNTY	8	11158	6.2	23602	009.7	027.4		72/09/07		1	1
	STATE TOTALS									1	22	23
CO	DENVER SPEC IMPACT AREA	6	0						79/08/03		1	1
CO	EAGLE COUNTY	8	8635	6.6	23523	021.7	059.8		78/05/11		1	1
CO	JEFFERSON COUNTY	6	12040	6.1	26617	010.7	046.0		78/05/01		1	1
	STATE TOTALS									0	3	3
CQ	NORTHERN MARIANAS IS.	2	0						78/11/09		1	1
	STATE TOTALS									0	1	1
CT	ANSONIA AREA	1,8	0	3.9					72/10/31		1	1
CT	BRISTOL AREA	8	0	4.2					71/10/28		1	1
CT	DANIELSON AREA	8	0	5.3					74/07/26		1	1
CT	ENFIELD TOWN OF	4	0	2.8					71/07/07		1	1
CT	HARTFORD AREA	8	0	3.2					74/02/19		1	1
CT	HARTFORD CITY OF	8	9108	6.3	14032				72/02/17		1	1
CT	MERIDEN AREA	8	0	3.6					71/11/09		1	1
CT	MIDDLETOWN AREA	8	0	2.8					75/05/01		1	1

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CT	NEW BRITAIN AREA	8	0	4.2					72/02/25		1	1
CT	NEW HAVEN AREA	8	0	3.5					73/02/23		1	1
CT	NEW HAVEN CITY OF	8	9028	4.8	14993				73/02/22		1	1
CT	NORWALK, CITY OF	8	0	3.0	25479				79/06/12		1	1
CT	NORWICH AREA	8	0	3.9					68/12/10		1	1
CT	TORRINGTON AREA	1	0	3.8					72/08/31		1	1
CT	TORRINGTON CITY OF	8	10503	4.5	20368				71/03/27		1	1
CT	WATERBURY AREA	8	0	4.7					71/01/21		1	1
	STATE TOTALS									0	16	16
DE	KENT COUNTY	8	8500	4.3	17334	006.1	007.9		78/06/14		1	1
DE	NEW CASTLE COUNTY	8	10983	3.6	22704	006.5	003.5		79/02/20		1	1
DE	SUSSEX COUNTY	8	8257	3.2	16907	002.3	017.2		65/12/21		1	1
DE	WILMINGTON, CITY OF	1,8	0	5.1	14435				78/07/26		1	1
	STATE TOTALS									0	4	4
FL	ALACHUA COUNTY	6	8328	3.3	17072	006.3	033.4		78/05/01		1	1
FL	BAKER COUNTY	6	7714	5.3	16290	002.4	050.9		78/05/01		1	1
FL	BRADFORD COUNTY	6	6905	4.3	14556	000.9	029.2		78/05/01		1	1
FL	BREVARD COUNTY	8	11144	5.8	19388	005.6	013.4		70/09/17		1	1
FL	BROWARD COUNTY	8	9501	4.3	19592	005.9	063.8		76/07/16		1	1
FL	CHARLOTTE COUNTY	8	6255	4.4	15174	005.4	125.0		78/07/26		1	1
FL	CITRUS COUNTY	8	5563	5.9	12948	001.5	193.6		76/10/13		1	1
FL	CLAY COUNTY	6	8430	3.8	20269	008.5	096.4		77/12/23		1	1
FL	COLLIER COUNTY	8	9117	5.6	19174	004.0	119.0		76/07/16		1	1
FL	DADE COUNTY	8	9237	6.2	18642	005.2	025.5		73/07/20		1	1
FL	DE SOTO COUNTY	8	6318	5.3	13183	001.5	039.8	86/01/27		1		1
FL	ESCAMBIA COUNTY	6	8020	6.3	16566	005.7	002.8		77/01/31		1	1
FL	FLAGLER COUNTY	7,8	5623	3.9	16232	003.1	141.4		74/10/02		1	1
FL	FRANKLIN COUNTY	1,2,8	4335	6.2	11018	001.5	004.8		66/01/17		1	1
FL	GADSDEN COUNTY	8	5597	5.0	12828	002.7	006.4		72/06/30		1	1
FL	GILCHRIST COUNTY	2	6213	6.1	11999	004.0	057.7		66/08/15		1	1
FL	GLADES COUNTY	8	6159	5.3	11427	001.0	058.4		80/03/19		1	1
FL	HIGHLANDS COUNTY	8	5862	6.6	13125	000.8	061.8		78/05/11		1	1
FL	HILLSBOROUGH COUNTY	8	8161	5.4	17632	006.5	024.9		78/01/06		1	1
FL	JACKSONVILLE/DUVALL	6	8669	5.3	17661	005.8	001.3		78/05/01		1	1
FL	JEFFERSON COUNTY	8	5519	5.2	11761	003.3	011.9		72/06/30		1	1
FL	LAFAYETTE COUNTY	7,8	5363	5.4	12431	004.3	033.6		74/01/10		1	1
FL	LEE COUNTY	8	7878	3.9	16757	004.2	093.5		78/06/14		1	1
FL	LEVY COUNTY	6	5847	6.1	12464	000.5	051.3		77/01/31		1	1
FL	LIBERTY COUNTY	1,8	5576	6.0	13260	010.3	019.3		76/09/13		1	1

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ALL AREAS (EXCEPT INDIAN) THAT FAIL TO QUALIFY UNDER ONE OF THE FOLLOWING THREE CRITERIA--
24 MONTH UNEMPLOYMENT RATE GREATER THAN THE NATIONAL 24 MONTH RATE.
MEDIAN FAMILY INCOME LESS THAN OR EQUAL TO $9958.
PER CAPITA EMPLOYMENT LOSS AND OUTMIGRATION FROM 1970 TO 1980.

ST AB	EDA AREA NAME	CUR BASIS QUAL	1970 MFI	UNEMP % 2 YR END 12/87	1979 MFI	PCE LOSS	MIGRATION (NEG = OUT)	DESIGNATED LESS THAN 3 YEARS	DESIGNATED MORE THAN 3 YEARS	LESS THAN 3 YR DSG COUNT	MORE THAN 3 YR DSG COUNT	TOTAL AREA COUNT
FL	MANATEE COUNTY	8	6593	4.7	16191	006.8	057.8		78/01/06		1	1
FL	MARION COUNTY	8	6585	6.0	13440	000.1	071.5		77/01/31		1	1
FL	MARTIN COUNTY	6	7284	6.2	18311	006.3	129.0		78/05/01		1	1
FL	MONROE COUNTY	8	7329	2.9	16129	013.7	013.2		76/07/16		1	1
FL	OKALOOSA COUNTY	8	7873	6.0	16955	009.3	008.6		77/04/05		1	1
FL	ORANGE COUNTY	8	8878	4.6	17705	009.0	028.4		76/07/16		1	1
FL	OSCEOLA COUNTY	8	6222	4.9	15177	008.5	093.8		78/04/20		1	1
FL	PALM BEACH COUNTY	8	9102	5.6	19817	003.9	064.8		76/07/16		1	1
FL	PASCO COUNTY	8	4996	6.0	13129	004.1	163.8		74/02/07		1	1
FL	PINELLAS COUNTY	8	7640	4.1	16707	006.6	048.2		77/01/31		1	1
FL	SAINT JOHNS COUNTY	8	6517	6.2	16876	007.0	062.3		78/04/20		1	1
FL	SARASOTA COUNTY	8	7737	3.8	17786	006.2	076.3		78/06/14		1	1
FL	SEMINOLE COUNTY	8	8896	4.4	20873	009.7	103.4		76/07/16		1	1
FL	SUWANNEE COUNTY	8	5903	6.2	12775	001.6	036.4		72/06/30		1	1
FL	VOLUSIA COUNTY	8	7035	4.8	15088	004.0	056.6		78/01/06		1	1
FL	WAKULLA COUNTY	2	6125	4.8	14018	004.2	064.2		72/06/30		1	1
	STATE TOTALS									1	40	41
GA	ATKINSON COUNTY	2,8	4381	6.2	11294	002.8	004.2		66/04/27		1	1
GA	ATLANTA SPEC IMP. AREA	6	0						76/08/19		1	1
GA	BALDWIN COUNTY	6	8144	5.6	17593	008.7	005.1		77/02/28		1	1
GA	BANKS COUNTY	6	6141	4.0	15071	006.6	023.1		77/02/28		1	1
GA	BARROW COUNTY	8	7263	6.5	16411	001.9	019.6		78/04/20		1	1
GA	BERRIEN COUNTY	8	5638	5.1	13886	004.5	009.1		68/10/28		1	1
GA	BIBB COUNTY	8	8247	6.0	17257	002.1	001.7		78/04/20		1	1
GA	BROOKS COUNTY	2	4783	5.0	11596	000.2	004.9		66/02/03		1	1
GA	BULLOCH COUNTY	6	6520	5.0	14999	005.7	005.9		78/05/01		1	1
GA	CAMDEN COUNTY	8	8388	5.1	15852	000.8	008.8		71/02/23		1	1
GA	CANDLER COUNTY	8	5075	5.3	11908	001.3	013.6		66/02/16		1	1
GA	CARROLL COUNTY	6	7617	5.9	16333	001.8	013.6		78/05/01		1	1
GA	CHATHAM COUNTY	8	8243	6.2	17201	004.4	001.0		78/05/11		1	1
GA	CHEROKEE COUNTY	8	7901	3.7	19054	005.7	052.5		73/02/22		1	1
GA	CLARKE COUNTY	6	8215	4.5	17113	005.3	005.0		78/05/01		1	1
GA	CLAYTON COUNTY	6	10960	4.4	21652	006.6	034.7		78/05/01		1	1
GA	CLINCH COUNTY	7,8	5925	6.4	13321	007.3	008.2		72/01/06		1	1
GA	COBB COUNTY	8	11246	3.3	23853	009.5	038.1		72/01/10		1	1
GA	COLUMBIA COUNTY	8	8027	4.2	20140	009.0	060.4		77/02/24		1	1
GA	COLUMBUS/MUSCOGEE	8	7812	6.5	15677	003.9	009.8		78/05/11		1	1
GA	COWETA COUNTY	8	7640	4.9	17901	002.7	012.7		77/02/18		1	1
GA	CRAWFORD COUNTY	8	4992	6.2	17002	008.3	026.9		72/05/18		1	1
GA	DADE COUNTY	8	6591	6.3	15183	004.6	012.8		77/04/04		1	1
GA	DE KALB COUNTY	6	12135	4.3	23136	008.2	005.9		78/01/19		1	1

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GA	DOUGLAS COUNTY	8	9287	4.1	21121	005.4	074.2		71/09/21		1	1
GA	ECHOLS COUNTY	8	5647	5.0	13212	001.1	012.7		69/10/07		1	1
GA	EFFINGHAM COUNTY	8	7950	5.8	17478	005.1	024.2		74/12/23		1	1
GA	FAYETTE COUNTY	8	9429	2.8	26939	007.1	142.8		77/02/28		1	1
GA	FLOYD COUNTY	8	8259	6.6	17286	003.9	002.3		77/04/04		1	1
GA	FORSYTH COUNTY	1	7380	3.9	18531	004.1	052.4		70/07/01		1	1
GA	FRANKLIN COUNTY	8	6423	6.4	13886	001.0	013.8		78/04/20		1	1
GA	FULTON COUNTY	8	9358	6.1	17437	001.7	009.0		81/01/26		1	1
GA	GILMER COUNTY	8	5700	6.6	13267	002.1	018.4		72/03/10		1	1
GA	GLASCOCK COUNTY	8	5058	6.1	14407	000.6	004.0		66/01/19		1	1
GA	GLYNN COUNTY	6	7958	5.1	17689	009.5	000.3		78/05/01		1	1
GA	GORDON COUNTY	8	7807	6.2	15954	002.4	018.2		77/04/04		1	1
GA	GRADY COUNTY	2	5433	6.6	12803	004.6	004.8		72/08/11		1	1
GA	GWINNETT COUNTY	6	9629	3.6	24327	009.8	109.9		78/05/01		1	1
GA	HABERSHAM COUNTY	8	7024	5.1	14817	001.1	013.8		77/02/28		1	1
GA	HALL COUNTY	8	7782	5.2	17817	004.8	018.2		76/06/18		1	1
GA	HART COUNTY	6	6649	5.1	14688	003.3	010.9		78/05/01		1	1
GA	HENRY COUNTY	8	8177	4.2	20844	008.5	041.6		73/08/22		1	1
GA	HOUSTON COUNTY	8	9355	4.7	20633	006.3	009.2		78/04/20		1	1
GA	IRWIN COUNTY	2	5097	5.8	12202	002.0	007.7		68/04/16		1	1
GA	JACKSON COUNTY	6	7256	5.5	15350	002.1	012.1		78/05/01		1	1
GA	JEFF DAVIS COUNTY	6	6000	5.4	15326	002.9	011.0		78/05/01		1	1
GA	JONES COUNTY	8	7996	5.3	18401	006.2	024.7		66/01/28		1	1
GA	LAMAR COUNTY	6,8	7216	6.5	15886	001.9	008.3		77/02/28		1	1
GA	LANIER COUNTY	7,8	5826	5.1	12419	003.7	004.8		66/08/01		1	1
GA	LOWNDES COUNTY	6	7069	5.7	14862	004.8	009.6		77/04/04		1	1
GA	LUMPKIN COUNTY	8	6586	4.2	14146	004.1	016.0		75/10/30		1	1
GA	MADISON COUNTY	8	7000	5.3	14393	003.4	023.1		72/05/18		1	1
GA	MARION COUNTY	8	5913	6.2	12040	001.7	000.4		66/01/28		1	1
GA	MILLER COUNTY	2,8	4263	5.8	12881	007.2	004.8		67/01/23		1	1
GA	MONROE COUNTY	6,8	7721	6.5	16158	004.1	025.4		78/05/01		1	1
GA	MURRAY COUNTY	1,8	7760	6.1	16652	005.3	038.1		66/02/09		1	1
GA	NEWTON COUNTY	6	7858	6.1	17309	003.1	019.7		77/02/28		1	1
GA	OCONEE COUNTY	8	7052	3.1	19701	010.0	047.6		77/02/18		1	1
GA	PAULDING COUNTY	1	7563	4.9	17343	005.2	037.9		67/01/23		1	1
GA	PEACH COUNTY	8	7820	6.3	15295	001.2	009.9	86/03/20		1		1
GA	PICKENS COUNTY	8	7355	5.3	14445	002.4	015.2		74/09/10		1	1
GA	PIKE COUNTY	8	6652	4.9	17644	004.6	016.4		66/02/16		1	1
GA	RABUN COUNTY	1,8	6056	6.5	13336	003.1	020.0		66/11/30		1	1
GA	ROCKDALE COUNTY	6	8881	4.1	22378	005.8	087.3		78/05/01		1	1
GA	SEMINOLE COUNTY	2	6518	5.8	13249	005.0	019.3		66/08/09		1	1
GA	SPALDING COUNTY	8	8073	5.8	15892	000.3	013.1		77/02/24		1	1
GA	TATTNALL COUNTY	2	5581	5.1	11250	003.4	003.8		72/08/11		1	1

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GA	TIFT COUNTY	6	6781	5.9	14458	003.0	008.3		77/04/04		1	1
GA	TOWNS COUNTY	8	4913	4.6	11004	002.1	022.6		66/01/20		1	1
GA	TWIGGS COUNTY	8	5397	6.4	15173	006.0	004.6		78/04/20		1	1
GA	UNION COUNTY	2,8	4560	5.6	10327	002.7	032.6		66/03/08		1	1
GA	WALKER COUNTY	8	6107	6.5	16145	001.1	002.5		77/02/24		1	1
GA	WALTON COUNTY	8	7744	5.7	16110	000.4	022.8		68/09/20		1	1
GA	WASHINGTON COUNTY	2	5679	5.9	13779	003.8	002.5		66/01/25		1	1
GA	WHEELER COUNTY	8	4936	5.6	10330	000.1	007.0		66/02/09		1	1
GA	WHITE COUNTY	8	5950	5.3	14933	003.1	023.3		67/02/06		1	1
GA	WHITFIELD COUNTY	8	8275	5.2	18015	006.7	007.2		77/04/04		1	1
GA	WILKINSON COUNTY	6	6508	5.2	16555	003.2	003.6		78/05/01		1	1
	STATE TOTALS									1	77	78
GU	GUAM	D	0						66/01/28		1	1
	STATE TOTALS									0	1	1
HI	HONOLULU CITY/CNTY	8	12033	4.0	23554	006.0	005.4		75/10/30		1	1
HI	KAUAI COUNTY	8	9945	5.3	20882	006.3	017.3		76/07/07		1	1
HI	MAUI COUNTY	8	9642	4.9	22579	009.5	040.0		76/07/07		1	1
	STATE TOTALS									0	3	3
IA	ADAMS COUNTY	7	7017	4.0	15158	009.4	008.2		73/07/16		1	1
IA	BUENA VISTA COUNTY	6	8770	3.8	19612	006.9	002.8		78/05/01		1	1
IA	DECATUR COUNTY	8	5688	6.6	14113	003.9	001.7	87/08/03		1		1
IA	DES MOINES (PART) CITY	6	0						79/12/17		1	1
IA	HAMILTON COUNTY	6	8333	4.8	18590	005.3	005.7		78/05/01		1	1
IA	HOWARD COUNTY	7,8	7203	6.4	16779	005.3	004.0		73/10/09		1	1
IA	JASPER COUNTY	6,8	9361	5.4	19582	004.7	002.3		78/05/01		1	1
IA	LOUISA COUNTY	8	8668	6.0	18742	005.0	007.9	85/12/05		1		1
IA	MAHASKA COUNTY	8	7488	5.6	16681	004.8	000.8	86/11/25		1		1
IA	OSCEOLA COUNTY	7,8	7429	6.2	17933	009.0	005.6		78/04/10		1	1
IA	POTTAWATTAMIE COUNTY	6,8	9355	6.4	19903	005.9	008.2		78/05/01		1	1
IA	RINGGOLD COUNTY	2	6602	6.2	12391	000.4	001.8		74/10/02		1	1
IA	SHELBY COUNTY	6,8	8010	6.2	17606	005.7	006.9		78/05/01		1	1
IA	TAYLOR COUNTY	8	6003	6.4	13913	002.8	001.3	88/11/25		1		1
IA	UNION COUNTY	6	7165	6.2	16448	003.5	001.0		77/11/10		1	1
IA	WINNESHIEK COUNTY	6,8	7761	6.3	16777	006.6	003.2		79/04/17		1	1
	STATE TOTALS									4	12	16

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IN	SAINT JOSEPH COUNTY	8	10387	5.7	20628	004.7	007.0		71/02/16		1	1
IN	STEUBEN COUNTY	8	8608	5.2	18814	004.2	016.2		76/08/18		1	1
IN	TIPPECANOE COUNTY	6	10118	3.8	20554	005.2	002.3		77/04/14		1	1
IN	VANDERBURGH COUNTY	6,8	9247	6.3	19745	006.2	004.4		78/05/01		1	1
IN	WABASH COUNTY	6,8	9958	5.9	18945	004.0	001.6		78/05/01		1	1
IN	WARRICK COUNTY	8	9162	6.0	23685	006.8	038.0	86/04/16		1		1
IN	WASHINGTON COUNTY	6,8	7897	6.4	15813	001.2	006.9		78/05/01		1	1
IN	WHITLEY COUNTY	6,8	9823	5.2	20534	002.1	004.0		78/05/01		1	1
	STATE TOTALS									1	29	30
KS	BUTLER COUNTY	4	8337	5.3	21180	009.2	011.2		70/07/22		1	1
KS	CRAWFORD COUNTY	8	6636	6.3	15695	004.1	001.6		66/01/28		1	1
KS	GRAHAM COUNTY	7	7506	5.9	15153	007.3	018.5		75/03/26		1	1
KS	KANSAS CITY IMPACT AREA	6	0						78/06/15		1	1
KS	KEARNY COUNTY	7	7894	4.4	18391	006.9	000.4		76/04/23		1	1
KS	LABETTE COUNTY	8	7316	6.4	16925	006.0	000.6		72/01/25		1	1
KS	LINCOLN COUNTY	7	6286	4.9	14423	004.5	005.6		76/08/03		1	1
KS	PHILLIPS COUNTY	7	6939	3.4	17073	006.5	006.0		75/08/05		1	1
KS	SEDGWICK COUNTY	4	9555	5.5	21584	010.7	004.9		70/07/22		1	1
KS	SUMNER COUNTY	4,7	7759	5.3	20025	008.9	004.6		71/05/17		1	1
KS	WASHINGTON COUNTY	7	6108	3.9	13959	004.6	006.2		79/08/13		1	1
	STATE TOTALS									0	11	11
KY	BOONE COUNTY	6,8	10011	6.0	22158	006.9	026.7		78/05/01		1	1
KY	CALLOWAY COUNTY	8	6724	5.0	15390	004.5	007.6		66/01/28		1	1
KY	CARROLL COUNTY	6	6885	4.6	15441	003.7	005.3		78/05/01		1	1
KY	HARDIN COUNTY	6	7263	6.4	14957	006.7	004.5		78/05/01		1	1
KY	JESSAMINE COUNTY	1	7514	5.8	16454	003.6	037.0		66/05/26		1	1
KY	KENTON COUNTY	8	9494	6.1	20463	004.9	000.9		78/04/20		1	1
KY	LOUISVILLE CITY(PART)	6	0						73/01/30		1	1
KY	MADISON COUNTY	1	6936	5.9	14754	001.8	016.8		66/01/28		1	1
KY	OWEN COUNTY	7	5892	6.0	12895	002.7	018.4		78/10/03		1	1
	STATE TOTALS									0	9	9
LA	ST.MARTIN PARISH, PART	8	0						66/01/28		1	1
	STATE TOTALS									0	1	1
MA	AMHERST TOWNSHIP	8	0	2.9					80/03/12		1	1
MA	BARNSTABLE AREA	1	0	3.8					75/11/13		1	1

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AB                           BASIS  MFI     2 YR END  MFI    LOSS   (NEG = OUT)   LESS THAN    MORE THAN   3 YR DSG   3 YR DSG   AREA
                             QUAL           12/87                                 3 YEARS      3 YEARS     COUNT      COUNT      COUNT

ID BONNEVILLE COUNTY         7       9708    6.3     20281  008.0    004.8                     75/08/15                  1          1
ID CUSTER COUNTY             7,8     7063    6.2     13812  007.3    006.5                     75/08/15                  1          1
ID ELMORE COUNTY             6       7216    6.5     14222  006.6    001.6                     78/05/01                  1          1
ID FRANKLIN COUNTY           8       6454    5.7     15748  003.5    005.3                     78/05/01                  1          1
ID GOODING COUNTY            6       6939    6.5     13982  004.3    030.3                     78/05/16                  1          1
ID LINCOLN COUNTY            7       7094    6.5     14201  007.3    002.9                     75/05/05                  1          1
ID SAINT MARIES AREA         1          0                                                      66/01/18                  1          1

    STATE TOTALS                                                                                           0          7          7

IL CHICAGO MIDWEST IMPACT    6          0                                                      70/10/12                  1          1
IL CHICAGO (PART) CITY OF    4          0                                                      67/11/22                  1          1
IL DE KALB COUNTY            6      10735    5.6     22972  005.0    002.5                     78/06/07                  1          1
IL KANE COUNTY               6,8    11947    6.3     25046  005.9    000.1                     78/06/07                  1          1
IL LAKE COUNTY               6      12998    4.8     28045  009.0    005.4                     78/06/07                  1          1
IL LOGAN COUNTY              8       9330    6.6     20382  004.7    007.6                     81/02/20                  1          1
IL MCHENRY COUNTY            6,8    11965    6.0     25655  006.7    024.5                     78/06/07                  1          1
IL SPRINGFIELD CITY / CAPI   8          0    6.4     21524                        85/09/27                 1                     1

    STATE TOTALS                                                                                           1          7          8

IN ADAMS COUNTY              6,8     9558    5.3     20353  002.3    001.7                     78/05/01                  1          1
IN ALLEN COUNTY              6,8    11007    5.1     22160  004.9    004.7                     78/05/01                  1          1
IN BROWN COUNTY              1       7794    6.1     18705  005.8    030.7                     75/08/05                  1          1
IN CLARK COUNTY              8       9899    6.2     19391  003.3    007.7                     78/09/20                  1          1
IN CLAY COUNTY               8       8206    6.6     17708  004.6    002.3                     69/12/15                  1          1
IN DUBOIS COUNTY             6       8997    4.6     20564  009.1    003.6                     77/11/10                  1          1
IN ELKHART COUNTY            8      11037    4.8     19872  003.4    000.9                     74/05/22                  1          1
IN FLOYD COUNTY              8       9568    5.9     19827  004.1    004.9                     78/05/11                  1          1
IN FULTON COUNTY             6,8     8708    5.6     18334  005.8    010.1                     77/04/14                  1          1
IN HARRISON COUNTY           8       8478    6.3     17827  005.4    025.5                     77/04/04                  1          1
IN HIGHLAND-BROOKSIDE SIA    6          0                                                      79/08/13                  1          1
IN HUNTINGTON COUNTY         6,8     9996    5.7     19777  002.6    003.3                     78/05/01                  1          1
IN INDIANAPOLIS IMP AREA     6          0                                                      80/09/24                  1          1
IN LAGRANGE COUNTY           6       9472    5.0     17000  002.5    005.8                     78/05/01                  1          1
IN MADISON COUNTY            6,8    10339    6.6     20788  000.9    006.9                     78/05/01                  1          1
IN MARSHALL COUNTY           8       9417    5.6     19085  003.7    005.0                     71/02/16                  1          1
IN MONROE COUNTY             8       9196    4.0     18523  025.9    007.4                     78/05/01                  1          1
IN MORGAN COUNTY             6      10065    6.5     21552  035.1    007.7                     78/05/01                  1          1
IN NOBLE COUNTY              8       9484    6.1     18828  001.4    004.0                     76/04/23                  1          1
IN POSEY COUNTY              8       8483    5.4     21020  006.8    016.4                     80/02/07                  1          1
IN PUTNAM COUNTY             8       9168    5.9     20565  004.6    004.3                     77/04/04                  1          1
IN RIPLEY COUNTY             8       8358    6.3     17200  003.9    008.0                     78/09/20                  1          1
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RUN DATE 03/04/88
REPORT CONTACT IS JERRY HOFFMAN
REPORT CODE IS HOLDOVERS

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24 MONTH UNEMPLOYMENT RATE GREATER THAN THE NATIONAL 24 MONTH RATE.
MEDIAN FAMILY INCOME LESS THAN OR EQUAL TO $9958.
PER CAPITA EMPLOYMENT LOSS AND OUTMIGRATION FROM 1970 TO 1980.

ST AB	EDA AREA NAME	CUR BASIS QUAL	1970 MFI	UNEMP % 2 YR END 12/87	1979 MFI	PCE LOSS	MIGRATION (NEG = OUT)	DESIGNATED LESS THAN 3 YEARS	DESIGNATED MORE THAN 3 YEARS	LESS THAN 3 YR DSG COUNT	MORE THAN 3 YR DSG COUNT	TOTAL AREA COUNT
MA	BOSTON AREA	8	0	3.0					78/02/14		1	1
MA	BOSTON CITY OF	8	9133	4.1	16062				73/08/31		1	1
MA	BOURNE-WAREHAM-ROCHESTR	1	0	4.6					66/01/28		1	1
MA	BROCKTON AREA	8	0	3.9					74/02/02		1	1
MA	CHELSEA CITY OF	8	8964	5.2	14481				73/12/14		1	1
MA	CLINTON AREA	8	0	2.9					78/07/26		1	1
MA	FALL RIVER AREA	8	0	6.0					72/05/17		1	1
MA	FITCHBURG-LEOMINSTER	8	0	4.3					72/02/25		1	1
MA	GARDNER AREA	8	0	5.1					75/05/16		1	1
MA	GLOUCESTER AREA	1	0	5.1					66/01/28		1	1
MA	GREENFIELD AREA	8	0	3.0					72/02/25		1	1
MA	HAVERHILL AREA	4	0	4.5					72/08/26		1	1
MA	LAWRENCE AREA	4	0	4.5					72/02/10		1	1
MA	LAWRENCE-HAVERHILL AREA	8	0	4.6					72/02/25		1	1
MA	LOWELL AREA	8	0	3.7					70/09/09		1	1
MA	MILFORD AREA	8	0	3.9					76/03/30		1	1
MA	NEW BEDFORD AREA	8	0	5.8					66/02/08		1	1
MA	NEWBURYPORT AREA	1	0	4.3					66/03/15		1	1
MA	NORTH ADAMS AREA	8	0	5.3					70/12/09		1	1
MA	ORANGE-ATHOL AREA	8	0	4.8					79/08/27		1	1
MA	PALMER TOWN OF	4	0	2.4					68/12/05		1	1
MA	PITTSFIELD AREA	8	0	4.1					75/03/18		1	1
MA	PLYMOUTH AREA	1	0	4.5					66/02/08		1	1
MA	QUINCY CITY OF	8	11094	3.0	21509				74/01/29		1	1
MA	SALEM-LYNN AREA	4	0	3.0					73/03/23		1	1
MA	SOUTHBRIDG-WEBSTER AREA	8	0	4.0					69/04/07		1	1
MA	SPRINGFLD-CHICOPEE-HOLY	8	0	3.7					73/03/28		1	1
MA	TAUNTON AREA	8	0	4.5					74/03/12		1	1
MA	TISBURY AREA	8	0	3.3					68/07/01		1	1
MA	WARE AREA	1	0	4.5					74/02/19		1	1
MA	WORCESTER AREA	8	0	3.3					76/05/16		1	1
	STATE TOTALS									0	33	33
MD	ANNE ARUNDEL COUNTY	6	11474	3.4	24771	009.4	015.1		77/12/23		1	1
MD	BALTIMORE COUNTY	6	12072	4.2	24413	008.1	001.7		78/05/01		1	1
MD	CALVERT COUNTY	1	8739	4.3	23831	006.4	056.7		66/01/28		1	1
MD	CAROLINE COUNTY	8	7420	6.0	17105	004.5	014.9		78/06/14		1	1
MD	CARROLL COUNTY	6	10180	4.0	23340	007.8	033.4		77/12/23		1	1
MD	CHARLES COUNTY	8	10376	2.9	25747	008.9	039.7		72/09/20		1	1
MD	HARFORD COUNTY	8	10750	4.7	23565	008.9	015.6		78/04/04		1	1
MD	KENT COUNTY	1,8	7624	5.4	16347	003.0	003.3		72/08/16		1	1
MD	QUEEN ANNES COUNTY	8	8209	4.3	19514	004.0	036.7		72/08/30		1	1

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MEDIAN FAMILY INCOME LESS HAN OR EQUAL TO $9958.
PER CAPITA EMPLOYMENT LOSS NO OUTMIGRATION FROM 1970 TO 1980.

ST AB	EDA AREA NAME	CUR BASIS QUAL	1970 MFI	UNEMP % 2 YR END 12/87	1979 MFI	PCE LOSS	MIGRATION (NEG = OUT)	DESIGNATED LESS THAN 3 YEARS	DESIGNATED MORE THAN 3 YEARS	LESS THAN 3 YR DSG COUNT	MORE THAN 3 YR DSG COUNT	TOTAL AREA COUNT
MD	SAINT MARYS COUNTY	8	8266	4.1	20573	012.2	011.3		72/09/14		1	1
MD	SEAT PLEASANT SPEC AREA	6	0						79/12/03		1	1
MD	TALBOT COUNTY	4	8059	3.7	19733	005.7	008.9		72/09/20		1	1
MD	WICOMICO COUNTY	8	8781	5.3	18446	003.9	015.0		79/06/12		1	1
	STATE TOTALS									0	13	13
ME	ANDROSCOGGIN COUNTY	8	8273	6.0	16141	003.6	003.3		80/09/05		1	1
ME	AUGUSTA AREA	6	0	4.8					77/09/26		1	1
ME	BANGOR AREA	6	0						73/11/02		1	1
ME	BATH-BRUNSWICK AREA	8	0	3.5					76/04/29		1	1
ME	BIDDEFORD-SANFORD AREA	8	0	4.3					70/09/28		1	1
ME	BOOTHBAY HARBOR AREA	8	0	3.8					76/06/18		1	1
ME	CORRINA-NEWPORT AREA	4	0						68/04/16		1	1
ME	DOVER-FOXCROFT AREA	8	0	6.2					72/01/12		1	1
ME	ELLSWORTH AREA	6	0	5.7					74/03/12		1	1
ME	FARMINGTON AREA	8	0	6.6					78/07/26		1	1
ME	LEWISTON-AUBURN AREA	8	0	6.1					71/06/07		1	1
ME	LINCOLN AREA	8	0	6.3					68/05/16		1	1
ME	PORTLAND AREA	8	0	2.4					77/11/22		1	1
ME	ROCKLAND AREA	8	0	4.4					66/03/08		1	1
ME	RUMFORD AREA	8	0	5.7					71/06/15		1	1
ME	STONINGTON AREA	4	0						68/03/19		1	1
ME	WATERVILLE AREA	6	0	4.8					78/05/01		1	1
	STATE TOTALS									0	17	17
MI	ALLEGAN COUNTY	6,8	9309	6.5	20162	005.7	013.2		78/05/01		1	1
MI	EATON COUNTY	8	11420	5.9	24574	007.9	019.3		75/08/15		1	1
MI	KALAMAZOO COUNTY	6,8	11033	5.6	22211	007.4	002.6		77/12/23		1	1
MI	LIVINGSTON COUNTY	8	11551	6.1	26339	005.3	059.4	85/11/18		1		1
MI	OAKLAND COUNTY	8	13823	6.5	28803	008.3	003.6		72/10/31		1	1
MI	OTTAWA COUNTY	6,8	10445	6.1	22058	008.5	011.9		76/10/13		1	1
MI	WASHTENAW COUNTY	8	12294	4.5	25465	006.9	002.7		73/10/09		1	1
	STATE TOTALS									1	6	7
MN	ANOKA COUNTY	6	11709	4.6	24885	011.7	010.2		78/05/01		1	1
MN	BENTON COUNTY	6,8	8460	6.3	17877	008.1	007.9		76/10/13		1	1
MN	DAKOTA COUNTY	6	12117	4.3	26230	012.3	023.7		78/05/01		1	1
MN	DOUGLAS COUNTY	8	6859	5.7	15900	006.5	017.1		72/03/06		1	1
MN	FREEBORN COUNTY	8	6829	5.5	19419	005.9	009.4		75/05/05		1	1
MN	HENNEPIN COUNTY	6	11804	3.9	25133	009.6	007.5		78/05/01		1	1

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ST    EDA AREA NAME           CUR    1970   UNEMP %   1979   PCE    MIGRATION     DESIGNATED   DESIGNATED  LESS THAN  MORE THAN  TOTAL
AB                            BASIS  MFI    2 YR END  MFI    LOSS   (NEG = OUT)   LESS THAN    MORE THAN   3 YR DSG   3 YR DSG   AREA
                              QUAL          12/87                                 3 YEARS      3 YEARS     COUNT      COUNT      COUNT

MN ISANTI COUNTY              6,8     9541    6.2     19382  005.9   034.2                     78/05/01                  1          1
MN KANDIYOHI COUNTY           8       8161    5.7     17352  007.3   014.0                     78/08/28                  1          1
MN LINCOLN COUNTY             7       5605    5.5     12465  006.5   001.0                     76/04/23                  1          1
MN LYON COUNTY                6       8068    5.6     17788  007.7   002.5                     77/04/14                  1          1
MN MOWER COUNTY               8       9827    6.5     19515  005.5   013.9                     74/02/07                  1          1
MN RAMSEY COUNTY              6      11305    4.2     23267  008.7   009.9                     78/05/01                  1          1
MN ROSEAU COUNTY              1,7,8   7472    5.2     15844  004.5   001.6                     68/08/12                  1          1
MN SO. SAINT PAUL CITY OF     4      11242                                                     69/09/11                  1          1
MN STEARNS COUNTY             8       8436    5.5     18599  009.5   003.1                     75/10/03                  1          1
MN STEVENS COUNTY             6       7649    4.8     16128  003.7   003.4                     78/05/01                  1          1
MN WRIGHT COUNTY              8       8935    6.2     20687  006.9   037.6                     72/07/24                  1          1
MN YELLOW MEDICINE COUNTY     7,8     7144    6.3     15430  005.6   008.2                     75/10/03                  1          1

                                                                                                           0            18         18
     STATE TOTALS

MO BARRY COUNTY               8       5834    5.6     13630  002.9   024.5                     73/02/13                  1          1
MO CALDWELL COUNTY            7       5817    5.9     14846  003.6   007.0                     75/03/26                  1          1
MO CAMDEN COUNTY              6       5631    6.6     13463  005.8   049.4                     79/01/26                  1          1
MO CEDAR COUNTY               8       5335    6.4     12030  001.6   030.8                     73/02/14                  1          1
MO CLAY COUNTY                6      11058    4.3     23585  007.8   000.6                     78/05/01                  1          1
MO COLE COUNTY                6       9770    4.5     21698  005.8   015.2                     79/01/26                  1          1
MO DADE COUNTY                2       4838    5.1     13791  002.8   010.9                     73/02/14                  1          1
MO DAVIESS COUNTY             7       5525    4.3     13869  002.3   008.1                     73/02/14                  1          1
MO GASCONADE COUNTY           7,8     6853    6.5     15658  003.0   013.5                     77/03/25                  1          1
MO GRUNDY COUNTY              8       6394    5.5     14444  004.3   004.0                     84/11/16                  1          1
MO HARRISON COUNTY            2       5139    5.2     12284  004.6   000.1                     73/02/14                  1          1
MO JACKSON COUNTY             8      10128    5.7     20995  004.6   009.7                     73/02/28                  1          1
MO JASPER COUNTY              6,8     7312    5.4     15530  004.7   006.4                     79/05/17                  1          1
MO KANSAS CITY IMP AREA       6          0                                                     71/09/14                  1          1
MO KNOX COUNTY                7,8     5981    6.3     13936  003.4   000.3                     83/04/06                  1          1
MO LAFAYETTE COUNTY           6       8475    5.8     18873  003.6   010.9                     77/11/10                  1          1
MO LAWRENCE COUNTY            6,8     6732    6.3     13948  003.0   016.2                     78/05/01                  1          1
MO LIVINGSTON COUNTY          8       7554    5.4     16229  001.3   001.0                     84/11/16                  1          1
MO MCDONALD COUNTY            8       5307    6.0     12181  003.6   019.1                     73/02/14                  1          1
MO MERCER COUNTY              7       5407    5.6     12454  004.6   000.9                     72/12/05                  1          1
MO NEWTON COUNTY              6       6887    5.6     14771  005.9   018.5                     78/05/01                  1          1
MO OSAGE COUNTY               7,8     7627    5.1     17110  006.3   003.7                     77/03/25                  1          1
MO PERRY COUNTY               8       6517    5.9     15711  005.1   011.7                     84/11/16                  1          1
MO PHELPS COUNTY              8       7523    5.5     16310  004.6   009.1                     69/07/24                  1          1
MO POLK COUNTY                8       5488    6.0     13185  003.1   020.3                     73/02/14                  1          1
MO PULASKI COUNTY             6,8     6517    5.9     13533  008.5   035.3                     79/01/26                  1          1
MO PUTNAM COUNTY              7       4851    4.8     12096  002.8   008.9                     66/05/26                  1          1
MO SAINT CHARLES COUNTY       6      10855    5.6     24167  009.0   039.6                     77/11/10                  1          1
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MO	SCHUYLER COUNTY	8	5125	6.8	13619	003.8	010.5	87/09/23		1		1
MO	SCOTLAND COUNTY	7	5135	4.9	12266	008.5	001.9		75/05/05		1	1
MO	SHELBY COUNTY	8	6256	4.0	13795	002.7	001.6		81/01/26		1	1
MO	SULLIVAN COUNTY	2	5644	4.5	12500	004.4	003.2		73/02/14		1	1
MO	WORTH COUNTY	7	5818	5.4	11901	000.8	004.6		70/10/02		1	1
	STATE TOTALS									1	32	33
MS	DE SOTO COUNTY	8	7703	6.4	20165	009.0	035.3		66/02/16		1	1
	STATE TOTALS									0	1	1
MT	DAWSON COUNTY	8	9133	5.6	19621	011.1	005.6	86/09/26		1		1
MT	JEFFERSON COUNTY	8	8520	5.6	19082	009.0	026.4		73/02/14		1	1
MT	LEWIS AND CLARK COUNTY	1	10254	6.6	20715	005.8	021.1		72/08/11		1	1
MT	LIBERTY COUNTY	4	8600	4.3	17377	002.5	008.5		72/07/07		1	1
MT	MADISON COUNTY	7,8	6745	5.8	15329	007.3	007.0		68/11/19		1	1
MT	TETON COUNTY	4,7	8203	5.0	16207	005.8	001.2		72/07/07		1	1
	STATE TOTALS									1	5	6
NC	ALAMANCE COUNTY	8	9301	4.1	18309	003.2	001.8		78/05/11		1	1
NC	ALEXANDER COUNTY	6	7875	3.9	16585	005.5	019.5		78/02/01		1	1
NC	ALLEGHANY COUNTY	6,8	5644	5.9	12486	002.3	015.0		78/03/30		1	1
NC	ANSON COUNTY	2	6002	6.1	14830	006.5	002.8		72/08/11		1	1
NC	ASHE COUNTY	8	5240	6.6	11835	003.9	010.1		72/09/26		1	1
NC	AVERY COUNTY	8	5526	6.5	13022	005.6	007.8		66/01/31		1	1
NC	BERTIE COUNTY	8	4815	5.9	11861	007.3	001.6		66/01/21		1	1
NC	BUNCOMBE COUNTY	6	7737	4.8	16795	004.7	007.8		78/03/17		1	1
NC	BURKE COUNTY	6,8	8432	3.6	16449	004.2	012.4		78/02/01		1	1
NC	CABARRUS COUNTY	6,8	8909	4.6	18169	002.2	009.6		78/03/17		1	1
NC	CALDWELL COUNTY	6	7955	4.3	16236	006.2	010.1		78/02/01		1	1
NC	CAMDEN COUNTY	1	6551	4.4	17028	005.3	003.3		68/03/19		1	1
NC	CARTERET COUNTY	1	7155	6.5	16068	002.6	021.7		65/12/08		1	1
NC	CASWELL COUNTY	2	6868	5.9	15044	003.3	003.5		73/02/14		1	1
NC	CATAWBA COUNTY	6	9001	4.2	18332	004.2	007.0		78/02/01		1	1
NC	CHARLOTTE, CITY OF	6	0	3.7	20258				78/03/17		1	1
NC	CHATHAM COUNTY	6	7182	4.0	17422	008.8	008.4		78/03/17		1	1
NC	CHOWAN COUNTY	8	6397	4.1	13295	000.4	010.9		72/09/26		1	1
NC	CLAY COUNTY	2,8	4747	5.6	11896	003.7	024.3		66/03/15		1	1
NC	CLEVELAND COUNTY	6,8	8029	5.0	17194	002.7	007.2		78/03/17		1	1
NC	CRAVEN COUNTY	6	7033	4.7	14945	005.3	002.4		77/03/18		1	1
NC	CUMBERLAND COUNTY	8	7106	5.6	14649	007.0	001.9		78/09/20		1	1

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NC	CURRITUCK COUNTY	1	6428	2.6	14697	002.5	054.5		67/04/27		1	1
NC	DARE COUNTY	1	6536	4.3	16322	007.3	086.7		67/04/06		1	1
NC	DAVIDSON COUNTY	6	8561	4.6	17139	003.8	010.6		78/03/17		1	1
NC	EDGECOMBE COUNTY	8	6347	6.6	15564	006.2	000.5		78/09/20		1	1
NC	FORSYTH COUNTY	6	9281	4.2	20063	006.7	007.2		78/03/17		1	1
NC	FRANKLIN COUNTY	8	5817	6.3	14074	005.8	009.2		66/01/28		1	1
NC	GASTON COUNTY	6	8874	4.3	17975	004.1	001.0		77/04/12		1	1
NC	GATES COUNTY	2	5862	3.0	15617	004.7	002.6		66/01/28		1	1
NC	GRANVILLE COUNTY	8	6350	5.6	16345	005.7	000.5		78/05/11		1	1
NC	GREENE COUNTY	8	5553	4.8	14081	005.3	001.8		66/01/28		1	1
NC	GUILFORD COUNTY	6	9646	4.0	19551	005.2	003.3		78/03/17		1	1
NC	HARNETT COUNTY	8	6343	6.4	14152	002.1	011.2		78/03/17		1	1
NC	HAYWOOD COUNTY	6,8	7183	6.3	15469	002.1	007.3		78/03/17		1	1
NC	HENDERSON COUNTY	6	6827	4.4	16503	003.1	033.4		78/03/30		1	1
NC	HOKE COUNTY	8	6842	6.3	14306	004.4	010.7		72/08/11		1	1
NC	IREDELL COUNTY	6,8	8071	4.5	17472	004.3	008.2		78/03/17		1	1
NC	JACKSON COUNTY	4,8	5933	6.5	13640	004.3	014.3		75/01/20		1	1
NC	JOHNSTON COUNTY	8	6018	5.2	14885	005.9	009.2		72/08/11		1	1
NC	JONES COUNTY	2	5400	4.6	13147	003.6	006.3		67/08/11		1	1
NC	LENOIR COUNTY	8	6985	5.7	15462	005.7	000.8		78/09/20		1	1
NC	LINCOLN COUNTY	8	8557	4.6	17668	003.3	021.3		76/06/08		1	1
NC	MACON COUNTY	8	5654	5.1	12684	003.0	025.8		72/08/11		1	1
NC	MADISON COUNTY	2,8	4652	6.1	11072	004.3	003.2		66/08/04		1	1
NC	MARTIN COUNTY	8	5711	6.6	13867	007.0	001.1		72/08/11		1	1
NC	MECKLENBURG COUNTY	6	10132	3.6	21148	007.5	005.3		78/03/17		1	1
NC	NASH COUNTY	6	6660	5.6	16222	007.2	006.8		78/03/30		1	1
NC	NEW HANOVER COUNTY	8	8269	6.2	17951	004.0	017.0		78/09/20		1	1
NC	NOR NCAR RURAL IMP AREA	6	0						73/05/22		1	1
NC	ONSLOW COUNTY	8	6470	3.9	13210	006.5	013.1		78/09/20		1	1
NC	PAMLICO COUNTY	8	5761	5.3	14509	004.6	006.1		69/10/07		1	1
NC	PASQUOTANK COUNTY	6	6860	4.0	14950	002.8	000.8		78/03/17		1	1
NC	PERQUIMANS COUNTY	8	5122	4.3	12804	004.5	011.1		71/08/18		1	1
NC	PITT COUNTY	8	6447	4.0	15928	007.5	013.9		70/02/13		1	1
NC	POLK COUNTY	6	6618	3.0	15956	001.3	011.9		78/03/17		1	1
NC	RANDOLPH COUNTY	6	8894	3.4	17611	004.4	013.1		78/03/30		1	1
NC	ROCKINGHAM COUNTY	8	8179	6.6	16941	002.1	009.4	87/02/24		1		1
NC	ROWAN COUNTY	6	8543	5.2	17526	002.5	005.8		78/03/17		1	1
NC	RUTHERFORD COUNTY	6,8	7318	5.5	15595	002.2	007.7		78/03/17		1	1
NC	STANLY COUNTY	8	8048	5.3	16733	002.4	008.4		78/03/17		1	1
NC	SURRY COUNTY	6,8	7130	5.5	15475	004.1	009.2		78/03/17		1	1
NC	TRANSYLVANIA COUNTY	6	8047	5.6	18019	002.9	011.9		78/03/17		1	1
NC	UNION COUNTY	6	8170	3.8	18572	005.9	018.6		78/02/01		1	1
NC	WARREN COUNTY	8	4964	5.7	12008	005.5	003.4		68/02/25		1	1

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NC	WASHINGTON COUNTY	8	7152	5.9	15908	003.4	003.1		71/08/18		1	1
NC	WATAUGA COUNTY	2	6149	3.6	14532	005.9	028.6		73/02/14		1	1
NC	WAYNE COUNTY	6,8	6352	5.3	15062	007.0	002.8		77/04/12		1	1
NC	WILKES COUNTY	6	6564	4.0	15400	007.3	010.5		78/03/30		1	1
NC	YADKIN COUNTY	6	7402	4.5	15806	004.7	010.9		78/03/17		1	1
NC	YANCEY COUNTY	8	5318	4.0	11855	003.4	013.7		66/01/31		1	1
	STATE TOTALS									1	70	71
ND	BILLINGS COUNTY	6	4767	4.1	22241	012.5	013.4		78/11/07		1	1
ND	BOTTINEAU COUNTY	8	7377	6.5	15232	004.1	005.6	87/09/23		1		1
ND	CAVALIER COUNTY	7	6424	5.7	16992	004.3	014.8		74/03/07		1	1
ND	DIVIDE COUNTY	7	6763	4.5	16458	006.1	025.1		76/08/03		1	1
ND	EMMONS COUNTY	7,8	7409	5.9	12840	009.6	023.3		75/03/26		1	1
ND	GRANT COUNTY	7	5628	5.3	10696	011.6	019.3		75/03/26		1	1
ND	GRIGGS COUNTY	7	7080	3.5	15850	011.6	012.0		75/05/05		1	1
ND	HETTINGER COUNTY	7	6763	5.7	13489	015.6	019.7		76/04/23		1	1
ND	LA MOURE COUNTY	7	6831	4.1	14432	005.5	010.9		75/03/26		1	1
ND	LOGAN COUNTY	8	8193	4.0	12018	007.6	021.7		71/11/23		1	1
ND	MCINTOSH COUNTY	7	6919	3.3	12220	010.0	012.2		71/11/23		1	1
ND	MORTON COUNTY	6,8	7419	6.6	18798	011.0	013.5		77/11/10		1	1
ND	SHERIDAN COUNTY	7,8	6279	5.9	12558	005.9	015.5		75/03/26		1	1
ND	STEELE COUNTY	7	8233	4.6	18180	010.5	019.4		73/07/24		1	1
ND	TRAILL COUNTY	7	7128	4.1	18235	006.1	000.9		73/07/24		1	1
ND	WALSH COUNTY	6	7440	4.8	15223	005.3	009.4		78/05/01		1	1
ND	WELLS COUNTY	7	7250	6.1	14849	004.8	012.4		75/02/18		1	1
	STATE TOTALS									1	16	17
NE	BOX BUTTE COUNTY	8	7598	5.2	20833	009.8	029.1		84/11/20		1	1
NE	BOYD COUNTY	2	4678	3.8	10565	004.8	010.6		73/04/03		1	1
NE	BROWN COUNTY	7	5814	5.4	13028	005.7	006.1		77/03/25		1	1
NE	CHASE COUNTY	7	6736	4.4	15368	004.4	010.0		75/10/03		1	1
NE	COLFAX COUNTY	7	7085	4.7	15905	006.6	003.1		79/06/25		1	1
NE	CUMING COUNTY	7	7105	4.1	17375	006.1	007.0		79/06/25		1	1
NE	DODGE COUNTY	6	8897	6.4	19727	005.2	002.1		79/07/26		1	1
NE	FURNAS COUNTY	7	6354	4.3	13663	006.7	001.9		77/03/25		1	1
NE	GREELEY COUNTY	7	5691	6.6	11962	006.0	014.7		66/01/28		1	1
NE	HAYES COUNTY	7	5086	3.4	12500	007.5	017.4		76/06/18		1	1
NE	HITCHCOCK COUNTY	7	6197	5.8	14234	006.6	001.8		76/04/23		1	1
NE	KNOX COUNTY	7	5380	5.9	13067	008.9	002.9		78/10/03		1	1
NE	NANCE COUNTY	7,8	6542	5.2	13504	004.1	008.9		79/06/25		1	1
NE	NEMAHA COUNTY	6	8162	4.6	16758	003.9	008.2		78/05/01		1	1

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NE	OMAHA(PART),CITY OF	4	10206						68/05/23		1	1
NE	PAWNEE COUNTY	7	5567	6.5	12130	003.0	007.6		69/06/26		1	1
NE	PLATTE COUNTY	6	8608	5.8	20224	006.8	000.9		79/07/26		1	1
NE	RICHARDSON COUNTY	7	6818	6.0	14590	003.1	004.2		81/01/27		1	1
NE	SARPY COUNTY	6	10199	2.6	21569	012.5	011.9		78/05/01		1	1
NE	STANTON COUNTY	7	6847	3.8	17517	008.4	005.9		77/04/05		1	1
NE	WASHINGTON COUNTY	6	8794	4.7	20556	005.6	010.9		79/07/26		1	1
	STATE TOTALS									0	21	21
NH	BELKNAP COUNTY	6	9497	2.1	17824	005.8	027.8		78/05/01		1	1
NH	CARROLL COUNTY	8	8069	1.8	15597	003.7	049.9		66/01/25		1	1
NH	COOS COUNTY	8	8137	4.1	16440	002.8	000.2		66/01/28		1	1
NH	GRAFTON COUNTY	D	8989	2.0	17288	005.5	015.9		66/01/21		1	1
NH	HILLSBOROUGH COUNTY	6	10342	2.6	21483	008.1	016.3		78/05/01		1	1
NH	STRAFFORD COUNTY	6	9421	2.9	18899	005.6	014.8		78/05/01		1	1
	STATE TOTALS									0	6	6
NJ	ATLANTIC COUNTY	8	8767	5.9	19216	005.3	010.1		74/07/26		1	1
NJ	BERGEN COUNTY	8	13591	3.5	27517	006.9	007.4		77/03/18		1	1
NJ	BURLINGTON CITY OF	4	0						72/11/22		1	1
NJ	BURLINGTON COUNTY	8	11352	3.7	23251	009.2	003.4		73/09/06		1	1
NJ	CAMDEN COUNTY	8	10959	4.6	20998	003.3	002.9		76/03/30		1	1
NJ	ESSEX COUNTY	8	10682	6.0	19931	002.0	013.0		74/07/26		1	1
NJ	GLOUCESTER COUNTY	8	10620	4.9	21882	005.3	008.6		74/09/10		1	1
NJ	HUNTERDON COUNTY	6	11336	2.2	26618	007.0	020.2		78/05/01		1	1
NJ	MERCER COUNTY	8	11165	3.8	22972	004.5	003.3		77/11/14		1	1
NJ	MIDDLESEX COUNTY	8	11981	3.9	25603	007.7	003.6		77/02/18		1	1
NJ	MONMOUTH COUNTY	8	11632	3.6	24526	007.6	004.6		72/07/06		1	1
NJ	MORRIS COUNTY	8	13420	2.8	29283	009.5	000.0		73/12/18		1	1
NJ	OCEAN COUNTY	8	9245	3.8	18800	003.1	062.5		74/09/10		1	1
NJ	PASSAIC COUNTY	1,8	10917	5.4	21011	003.0	008.2		74/04/16		1	1
NJ	SALEM COUNTY	8	10214	6.2	20498	000.7	002.1		77/11/14		1	1
NJ	SOMERSET COUNTY	6	13432	2.4	29172	009.3	001.9		78/05/01		1	1
NJ	SUSSEX COUNTY	8	10785	3.3	23530	006.6	039.5		74/11/19		1	1
NJ	UNION COUNTY	8	12590	4.9	25266	004.8	009.4		73/10/09		1	1
NJ	WARREN COUNTY	8	10117	3.9	21412	004.7	010.4		79/08/29		1	1
	STATE TOTALS									0	19	19
NM	BERNALILLO COUNTY	8	9027	6.4	19294	009.3	020.4		76/04/12		1	1
NM	HIDALGO COUNTY	7,8	6564	6.3	16166	001.3	010.5		76/10/14		1	1

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NM	SANTA FE COUNTY	8	8018	5.4	18619	010.1	025.0		72/03/06		1	1
	STATE TOTALS									0	3	3
NV	CARSON CITY AREA	1,8	11322	6.0	21883	009.0	097.1		74/02/01		1	1
NV	CLARK COUNTY	8	10865	6.2	21029	009.2	056.5	86/06/12		1		1
NV	LAS VEGAS SIA	6	0						77/12/12		1	1
NV	LINCOLN COUNTY	1	8855	5.6	16670	003.6	036.6		66/02/16		1	1
NV	MINERAL COUNTY	6,8	10172	6.3	16795	000.3	019.0		78/05/01		1	1
NV	STOREY COUNTY	8	11867	6.2	21120	000.8	118.1	86/05/14		1		1
	STATE TOTALS									2	4	6
NY	ALBANY COUNTY	6	11015	3.6	21293	005.0	002.1		77/12/07		1	1
NY	BROOKLYN NAVY YARD	4	0						66/08/19		1	1
NY	BROOME COUNTY	8	10334	4.9	19712	005.2	007.3		79/02/26		1	1
NY	CHEMUNG COUNTY	8	9376	5.5	18040	002.8	007.7		72/08/16		1	1
NY	CHENANGO COUNTY	8	8982	5.9	16432	004.1	001.4		72/06/07		1	1
NY	CORTLAND COUNTY	8	9142	6.0	17006	003.2	000.3		80/08/18		1	1
NY	DELAWARE COUNTY	8	8466	5.2	16072	002.5	002.3		71/10/27		1	1
NY	ERIE CNTY(PT) IMP. AREA	6	0						72/03/22		1	1
NY	ERIE COUNTY	8	10462	6.4	20711	003.6	011.7		72/08/29		1	1
NY	GREENE COUNTY	1,8	8552	6.5	16503	002.4	023.0		66/01/28		1	1
NY	HUDSON, CITY OF	4	0						77/05/18		1	1
NY	ITHACA, CITY OF	8	0	3.4	16283				79/12/04		1	1
NY	LIVINGSTON CO SUB-AREA1	4	0						72/09/20		1	1
NY	LIVINGSTON CO SUB-AREA2	4	0						72/09/20		1	1
NY	LIVINGSTON COUNTY	8	10520	6.6	19596	004.0	001.0		80/07/30		1	1
NY	LOWER EAST SIDE (NY)	6	0						70/10/19		1	1
NY	MECHANICVLE-STILLWATER	4	0						71/08/31		1	1
NY	MONROE COUNTY	6	12420	4.5	24256	005.1	006.8		78/05/01		1	1
NY	MOUNT VERNON IMP. AREA	6	0	3.9	20108				76/09/02		1	1
NY	NASSAU COUNTY	8	14625	3.5	28444	007.5	009.1		78/04/04		1	1
NY	NEW YORK COUNTY	1,7,8	8976	6.1	16326	003.0	007.3		79/04/17		1	1
NY	ONEIDA COUNTY	8	9808	5.6	18174	002.8	011.4		72/04/04		1	1
NY	ONONDAGA COUNTY	8	10830	5.9	21222	005.2	007.3		78/04/20		1	1
NY	ONTARIO COUNTY	8	10511	5.8	20514	005.7	007.4		72/08/22		1	1
NY	ORANGE COUNTY	8	10128	4.5	20576	003.9	011.0		78/01/18		1	1
NY	OTSEGO COUNTY	8	8673	4.8	16230	002.8	003.9		73/04/24		1	1
NY	POUGHKEEPSIE, CITY OF	8	0	5.6	16586				79/06/12		1	1
NY	PUTNAM COUNTY	8	11995	2.9	26305	008.7	028.0		81/02/20		1	1
NY	QUEENS COUNTY	8	11545	5.6	20506	000.8	007.3		77/04/14		1	1
NY	RENSSELAER COUNTY	8	10084	4.5	19259	003.7	003.6		78/05/11		1	1

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NY	RICHMOND COUNTY	8	11889	4.9	23842	003.4	013.1		76/06/08		1	1
NY	ROCKLAND COUNTY	8	13751	3.5	28243	009.4	006.0		78/04/04		1	1
NY	SARATOGA COUNTY	8	10493	4.7	20712	005.3	017.0		77/11/03		1	1
NY	SCHUYLER COUNTY	8	8393	6.4	16719	002.6	000.3		72/12/27		1	1
NY	SOUTH BRONX IMPACT AREA	6	0						71/09/03		1	1
NY	SUFFOLK COUNTY	8	12081	4.2	24194	007.4	005.9		76/03/16		1	1
NY	SULLIVAN COUNTY	8	8893	5.0	15925	000.1	022.4		72/06/07		1	1
NY	ULSTER COUNTY	8	9808	3.8	18752	005.2	009.2		77/11/03		1	1
NY	WASHINGTON COUNTY	8	8668	5.0	17104	003.3	000.8		73/11/07		1	1
NY	WESTCHESTER COUNTY	8	13774	3.4	27278	006.2	005.2		76/08/18		1	1
	STATE TOTALS									0	40	40
OH	CLARK COUNTY	8	9994	6.5	19528	002.9	010.5		78/12/20		1	1
OH	COLUMBUS IMPACT AREA	6	0						72/10/31		1	1
OH	COLUMBUS,CITY OF	8	9729	6.0	18612				77/02/23		1	1
OH	GREENE COUNTY	6	11694	5.4	22697	004.1	005.5		78/02/16		1	1
OH	HAMILTON COUNTY	8	10485	5.8	21693	005.5	011.2		78/05/11		1	1
OH	HOLMES COUNTY	8	7583	5.7	16861	005.7	009.6		78/08/28		1	1
OH	MONTGOMERY COUNTY	6,8	11412	6.1	20830	002.8	013.1		78/02/16		1	1
OH	PREBLE COUNTY	6,8	9612	5.8	19405	003.4	003.1		78/02/16		1	1
OH	XENIA AREA	8	0						74/05/28		1	1
	STATE TOTALS									0	9	9
OK	ALFALFA COUNTY	7	6508	4.5	17537	003.5	003.3		74/02/25		1	1
OK	BLACKWELL CITY OF	4	0						72/12/15		1	1
OK	CLEVELAND COUNTY	6	9087	5.9	21414	009.6	050.6		77/12/23		1	1
OK	COMANCHE COUNTY	6	7286	5.0	15434	008.7	013.7		77/11/22		1	1
OK	COTTON COUNTY	6	6571	4.6	13698	001.3	007.3		77/11/22		1	1
OK	GRANT COUNTY	7	6289	4.3	16965	003.6	004.8		74/02/25		1	1
OK	GREER COUNTY	7	5158	4.8	12468	004.4	004.4		73/04/03		1	1
OK	JACKSON COUNTY	6	6604	6.5	13522	004.9	014.9		77/11/22		1	1
OK	KIOWA COUNTY	8	5436	5.5	12619	002.2	003.1		73/06/06		1	1
OK	LOVE COUNTY	6,8	5573	6.6	15913	006.3	029.4		77/11/22		1	1
OK	OKLAHOMA CITY IMP AREA	6	0						77/04/20		1	1
OK	OKLAHOMA CITY, CITY OF	6	8940	6.5	19565				77/11/22		1	1
OK	OKLAHOMA COUNTY	6	9429	6.3	19875	006.1	002.1		78/05/01		1	1
OK	TULSA,CITY OF(PART)	6	0						79/06/12		1	1
	STATE TOTALS									0	14	14
OR	BENTON COUNTY	6	9642	4.4	21068	007.8	018.8		78/05/01		1	1

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OR	CLACKAMAS COUNTY	8	10677	4.9	23572	007.6	037.2		78/10/31		1	1
OR	GILLIAM COUNTY	7	8220	6.5	17318	012.0	016.0		70/02/24		1	1
OR	PORTLAND IMPACT AREA	6	0						72/03/31		1	1
OR	WASHINGTON COUNTY	6	11476	4.7	24819	009.9	044.7		78/05/01		1	1
	STATE TOTALS									0	5	5
PA	ALLEGHENY COUNTY	8	10076	6.6	21643	005.7	010.3		78/04/20		1	1
PA	ALLENTOWN SPEC IMP AREA	6	0						76/08/31		1	1
PA	BRADFORD COUNTY	8	8460	6.1	16402	003.4	001.9		72/08/22		1	1
PA	BUCKS COUNTY	8	11649	4.5	24402	007.2	006.6		84/02/02		1	1
PA	CENTRE COUNTY	6,8	8905	5.6	19099	003.6	006.2		78/05/01		1	1
PA	CLEARFIELD AREA	8	0						69/02/04		1	1
PA	DAUPHIN COUNTY	8	9710	4.4	20596	003.9	000.4		72/08/07		1	1
PA	DELAWARE COUNTY	8	11819	4.2	23103	005.0	010.6		78/09/20		1	1
PA	DERRY TOWNSHIP	4	0						72/09/14		1	1
PA	LANCASTER, CITY OF	8	0	4.5	15443				80/01/25		1	1
PA	LEBANON COUNTY	8	9448	4.4	19961	003.2	003.5	87/05/11		1		1
PA	LEHIGH COUNTY	6,8	10294	5.9	21906	004.1	003.7		77/12/07		1	1
PA	LYCOMING COUNTY	8	8638	6.2	17754	002.6	000.3		72/08/07		1	1
PA	MONESSEN CITY OF	4	0						73/07/24		1	1
PA	MONROE COUNTY	8	8961	5.2	18539	002.5	049.3		76/07/29		1	1
PA	MONTGOMERY COUNTY	8	12743	3.9	25803	007.1	000.3		78/09/20		1	1
PA	MONTOUR COUNTY	8	8266	4.6	18654	005.4	001.3		72/08/15		1	1
PA	NORRISTOWN AREA	4	0						72/11/20		1	1
PA	NORTHAMPTON COUNTY	6,8	10026	6.3	21333	002.0	002.8		78/05/01		1	1
PA	N.KENSINGTON ARNOLD AR.	4	0						71/11/19		1	1
PA	PHILADELPHIA IMP AREA	6	0						72/08/30		1	1
PA	PIKE COUNTY	8	8409	5.0	17055	002.1	056.2		78/09/20		1	1
PA	POTTSTOWN AREA	4	0						72/11/20		1	1
PA	SNYDER COUNTY	8	8163	4.3	17218	004.7	008.4		78/05/01		1	1
PA	SULLIVAN COUNTY	8	7077	6.0	14559	000.8	006.3		72/08/30		1	1
PA	TYRONE AREA	4	0						71/08/23		1	1
PA	UNION COUNTY	8	8601	4.4	18083	003.4	010.5		72/08/22		1	1
PA	WAYNE COUNTY	8	7630	6.1	15494	002.8	016.2		78/04/04		1	1
PA	YORK CITY OF	8	8566	5.2	15971				75/11/26		1	1
	STATE TOTALS									1	28	29
RI	NEWPORT AREA	8	0	3.2					73/08/21		1	1
RI	PROVIDENCE-PAWTUCKET	8	0	4.1					66/01/31		1	1
RI	WESTERLY AREA	8	0	3.4					74/05/09		1	1

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RUN DATE  03/04/88                                                                                                       PAGE NO.  19
REPORT CONTACT IS JERRY HOFFMAN
REPORT CODE IS HOLDOVERS

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AB                           BASIS  MFI    2 YR END   MFI    LOSS    (NEG = OUT)   LESS THAN   MORE THAN   3 YR DSG   3 YR DSG   AREA
                             QUAL          12/87                                   3 YEARS     3 YEARS     COUNT      COUNT      COUNT

   STATE TOTALS                                                                                            0          3          3

SC AIKEN COUNTY              8      8712     4.9      18429  005.4    007.2                    78/09/20               1          1
SC ANDERSON COUNTY           6,8    8100     6.6      17587  002.5    018.4                    78/03/10               1          1
SC BEAUFORT COUNTY           8      6590     4.2      17044  009.0    010.4                    78/04/04               1          1
SC BERKELEY COUNTY           8      6908     4.3      17562  007.8    050.3                    66/01/28               1          1
SC CHARLESTON COUNTY         8      8068     4.8      17211  007.9    000.3                    78/09/20               1          1
SC CHEROKEE COUNTY           8      7708     6.1      17116  002.6    003.2                    76/08/18               1          1
SC CHESTERFIELD COUNTY       8      6743     6.4      14410  004.3    005.3                    71/11/23               1          1
SC DORCHESTER COUNTY         8      7360     3.9      18843  007.0    066.4                    74/07/26               1          1
SC EDGEFIELD COUNTY          2      6265     5.5      14537  003.9    004.9                    67/05/10               1          1
SC GREENVILLE COUNTY         6      8774     4.4      18810  005.0    011.2                    78/01/19               1          1
SC KERSHAW COUNTY            8      8258     6.5      17493  001.6    010.7                    73/06/06               1          1
SC LEXINGTON COUNTY          6      8754     3.3      20562  007.4    044.6                    78/03/10               1          1
SC NEWBERRY COUNTY           6      7496     6.5      17379  003.4    001.9                    78/02/22               1          1
SC OCONEE COUNTY             8      7549     6.4      16101  002.4    011.0                    76/08/18               1          1
SC PICKENS COUNTY            6,8    8114     5.2      17920  004.6    025.7                    78/03/10               1          1
SC RICHLAND COUNTY           6      8541     4.2      18597  009.7    005.7                    78/03/10               1          1
SC SALUDA COUNTY             8      6589     5.7      14364  003.9    005.1                    68/09/27               1          1
SC SPARTANBURG COUNTY        6,8    7921     5.3      17453  003.6    008.8                    78/03/10               1          1
SC YORK COUNTY               8      8397     4.9      19336  004.7    016.2                    76/06/18               1          1

   STATE TOTALS                                                                                            0          19         19

SD AURORA COUNTY             2      5742     2.4      12702  002.8    017.2                    73/02/14               1          1
SD BON HOMME COUNTY          2      5939     2.4      13327  006.1    007 6                    72/12/05               1          1
SD CAMPBELL COUNTY           6      6373     4.2      11229  011.2    023.6                    78/05/01               1          1
SD CHARLES MIX COUNTY        7      5586     5.2      11812  006.0    009.5                    75/08/05               1          1
SD CLARK COUNTY              8      5980     6.0      12003  001.6    011.7                    75/06/09               1          1
SD CODINGTON COUNTY          6      7967     5.3      16621  006.8    002.4                    77/11/10               1          1
SD CUSTER COUNTY             4,7    7589     3.7      16798  005.4    024.9                    72/06/13               1          1
SD DEUEL COUNTY              7,8    6720     6.5      12004  005.0    008.4                    73/04/03               1          1
SD DOUGLAS COUNTY            7      5432     3.2      10857  004.1    012.5                    73/02/14               1          1
SD HAMLIN COUNTY             2      6289     4.6      11939  005.8    004.4                    73/02/14               1          1
SD HAND COUNTY               7      6864     2.6      12150  006.5    019.2                    74/09/10               1          1
SD HANSON COUNTY             7      5328     3.7      11630  009.8    015.3                    73/02/14               1          1
SD HUTCHINSON COUNTY         7      5583     3.0      12292  007.1    010.1                    72/12/05               1          1
SD HYDE COUNTY               7      5190     3.7      13766  006.7    022.4                    80/04/28               1          1
SD JERAULD COUNTY            2      6033     2.6      12781  006.9    012.7                    72/12/05               1          1
SD LAKE COUNTY               6      6425     5.6      14614  003.1    010.6                    77/11/10               1          1
SD LAWRENCE COUNTY           4      8061     5.1      16597  006.0    001.1                    72/06/13               1          1
SD LYMAN COUNTY              6      8061     4.8      12863  000.0    014.7                    78/05/01               1          1
SD MARSHALL COUNTY           7      5638     4.3      12339  008.8    009.5                    74/09/10               1          1
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SD	MEADE COUNTY	4	8217	4.2	16624	011.6	010.9		72/06/13		1	1
SD	MELLETTE COUNTY	8	5458	6.2	11191	001.5	017.1		81/01/26		1	1
SD	MINER COUNTY	2	5497	5.3	10522	001.0	015.9		73/02/14		1	1
SD	PENNINGTON COUNTY	4	8274	4.5	17364	006.7	000.5		72/06/13		1	1
SD	ROBERTS COUNTY	8	5628	6.2	12155	004.9	012.2		76/04/12		1	1
SD	STANLEY COUNTY	8	7730	4.2	16998	008.4	008.2		76/04/23		1	1
SD	SULLY COUNTY	7	6167	2.0	13083	010.8	024.3		76/04/23		1	1
SD	TURNER COUNTY	7	5861	4.0	14473	008.3	004.5		79/08/13		1	1
SD	ZIEBACH COUNTY	2.8	4738	5.5	10000	001.7	013.2		79/02/20		1	1
	STATE TOTALS									0	28	28
TN	BLEDSOE COUNTY	2.8	4736	6.5	12218	008.4	018.1		65/12/21		1	1
TN	CHEATHAM COUNTY	8	7644	4.8	17774	005.4	053.7		84/08/06		1	1
TN	CLAY COUNTY	2.8	3699	4.7	10301	005.5	013.5		66/01/31		1	1
TN	HAMILTON COUNTY	6.8	8608	6.2	18578	003.8	005.7		77/04/14		1	1
TN	MEMPHIS IMPACT AREA	6	0						75/02/26		1	1
TN	MOORE COUNTY	8	6400	6.6	15928	001.2	022.8		73/10/09		1	1
TN	NASHVILLE SPEC IMP AREA	6	0						77/04/20		1	1
TN	NASHVILLE-DAVIDSON	6	9469	4.2	19733	007.1	000.2		77/04/14		1	1
TN	RUTHERFORD COUNTY	8	7656	5.2	18536	008.3	031.2		69/09/01		1	1
TN	SHELBY COUNTY	6	8672	6.1	18191	004.7	001.6		77/03/18		1	1
TN	SUMNER COUNTY	6.8	8208	6.5	19918	004.6	041.6		78/05/01		1	1
TN	TROUSDALE COUNTY	8	4872	5.6	16997	003.8	015.2		72/09/26		1	1
TN	WILSON COUNTY	6.8	7878	6.1	20380	004.8	042.9		78/01/19		1	1
	STATE TOTALS									0	13	13
TX	ARMSTRONG COUNTY	7	8226	4.3	18333	006.2	008.7		73/10/09		1	1
TX	COCHRAN COUNTY	7	6353	4.3	13952	004.6	018.9		73/10/09		1	1
TX	COMAL COUNTY	8	7598	5.8	18816	003.9	044.0		79/06/12		1	1
TX	FAYETTE COUNTY	2	4611	5.2	15637	003.8	012.8		72/08/10		1	1
TX	FOARD COUNTY	2.7	4771	4.6	13942	001.7	002.0		75/06/09		1	1
TX	FORT WORTH STOCKYD SIA	6	0						75/04/24		1	1
TX	GUADALUPE COUNTY	6	6523	5.5	17777	007.4	029.8		77/12/07		1	1
TX	HAMILTON COUNTY	2	5282	3.7	12800	000.1	024.2		72/05/18		1	1
TX	HANSFORD COUNTY	7	8443	3.5	21124	009.7	013.0		73/07/16		1	1
TX	HAYS COUNTY	6	6710	6.3	17028	006.1	036.0		77/02/23		1	1
TX	HOUSTON SPEC IMP AREA	6	0						79/01/25		1	1
TX	HUDSPETH COUNTY	7	5314	2.3	11204	003.1	001.3		74/11/19		1	1
TX	KERR COUNTY	8	6753	3.3	16878	004.9	049.5		74/12/04		1	1
TX	LAVACA COUNTY	2.7	4649	5.0	15376	006.3	009.2		72/12/05		1	1
TX	LIPSCOMB COUNTY	7	7867	4.2	18071	006.8	008.9		73/07/16		1	1

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TX	LYNN COUNTY	7	5889	4.4	12941	003.6	012.7		75/10/30		1	1
TX	MEDINA COUNTY	1	6362	5.8	14895	005.0	006.6		66/07/15		1	1
TX	MOORE COUNTY	4	8905	5.5	19981	004.9	004.1		71/06/16		1	1
TX	MOTLEY COUNTY	7	5351	2.9	11695	002.9	007.9		74/01/10		1	1
TX	PARKER COUNTY	4	8403	5.5	19823	007.1	028.2		73/11/14		1	1
TX	RAINS COUNTY	8	5287	6.4	15066	006.2	030.9		66/01/31		1	1
TX	REAL COUNTY	2,8	4300	5.5	10674	000.4	021.2		66/07/15		1	1
TX	SAN ANTONIO IMPACT AREA	6	0						73/02/15		1	1
TX	SAN SABA COUNTY	2	4528	5.5	12446	003.9	015.9		75/10/30		1	1
TX	SOMERVELL COUNTY	8	6881	5.8	19281	006.2	048.5		72/05/18		1	1
TX	WASHINGTON COUNTY	2	5751	4.8	17648	006.2	017.7		72/05/18		1	1
	STATE TOTALS									0	26	26
UT	BEAVER COUNTY	8	7289	6.5	14453	003.9	000.3		69/04/30		1	1
UT	BOX ELDER COUNTY	8	9154	4.2	19597	003.1	000.3		71/05/21		1	1
UT	CACHE COUNTY	6	7796	4.6	17236	005.2	009.2		78/05/01		1	1
UT	DAVIS COUNTY	6	10869	4.9	21948	005.0	022.8		78/05/01		1	1
UT	RICH COUNTY	8	8051	4.9	17757	002.3	012.8		73/06/06		1	1
UT	SALT LAKE COUNTY	6	9770	5.5	21064	006.4	014.1		78/05/01		1	1
UT	WASHINGTON COUNTY	8	6948	5.1	15466	001.3	064.2		71/09/21		1	1
	STATE TOTALS									0	7	7
VA	AMELIA COUNTY	2	5802	5.5	16212	005.3	006.3		72/12/05		1	1
VA	APPOMATTOX COUNTY	8	7724	5.2	18353	004.9	017.9		80/07/30		1	1
VA	BRISTOL AREA (TENN)	8	0						71/11/01		1	1
VA	BUENA VISTA AREA	8	0	6.2					75/01/09		1	1
VA	CAROLINE COUNTY	8	6972	5.8	16414	006.8	022.5		79/01/26		1	1
VA	CHARLES CITY COUNTY	6	6107	5.6	18570	013.5	001.8		78/06/22		1	1
VA	CHARLOTTESVILLE AREA	6	0	4.0					78/04/04		1	1
VA	CRAIG COUNTY	8	6539	6.1	16073	007.4	009.7	86/05/14		1		1
VA	FREDERICKSBURG AREA	6	0	3.9					78/04/04		1	1
VA	HAMPTON	6	9670	5.8	19144	006.1	009.1		78/04/10		1	1
VA	LOUISA COUNTY	8	6102	5.5	16003	005.1	022.9		80/10/16		1	1
VA	LYNCHBURG	6	8855	5.6	18332	010.4	000.5		78/04/10		1	1
VA	NEW KENT COUNTY	8	6879	3.0	20494	008.1	055.3		78/06/22		1	1
VA	NEWPORT NEWS	6	9315	5.4	18477	007.9	007.5		78/04/10		1	1
VA	NORFOLK	6	7822	4.8	14779	004.2	022.8		78/04/10		1	1
VA	NORFOLK-PORTSMOUTH SIA	6	0						76/08/20		1	1
VA	ORANGE COUNTY	6	7039	4.9	16401	002.9	027.1		78/05/01		1	1
VA	RICHMOND CITY (PART)	6	0						80/12/19		1	1
VA	SCOTT COUNTY	8	5954	6.5	12576	002.1	000.7		71/11/23		1	1

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VA	SHENANDOAH COUNTY	8	7074	4.2	15627	004.2	020.0		78/04/10		1	1
VA	SOUTHAMPTON COUNTY	8	5876	5.1	16089	006.1	002.4		78/09/05		1	1
VA	STAUNTON-WAYNESBORO AR.	6	0	5.0					78/05/01		1	1
VA	S.W.VIRGINIA IMP. AREA	6	0						72/02/16		1	1
VA	WARREN COUNTY	8	7955	4.5	17106	003.3	033.7		78/04/04		1	1
	STATE TOTALS									1	23	24
VI	VIRGIN ISLANDS	0	0		11914				66/01/21		1	1
	STATE TOTALS									0	1	1
VT	ADDISON COUNTY	6	8476	4.2	16548	006.4	011.9		78/09/13		1	1
VT	BARRE-MONTPELIER AREA	8	0	4.2					78/07/26		1	1
VT	BENNINGTON COUNTY	8	8852	5.5	16882	005.7	009.3		74/09/17		1	1
VT	BRATTLEBORO AREA	8	0	4.7					79/12/04		1	1
VT	BURLINGTON AREA	6	0						77/12/07		1	1
VT	FRANKLIN COUNTY	8	8180	6.3	16085	004.7	003.0		67/08/09		1	1
VT	LAMOILLE COUNTY	8	8632	6.6	15766	005.6	017.0		76/03/16		1	1
VT	RUTLAND COUNTY	8	8430	3.8	17072	006.5	007.3		78/07/26		1	1
VT	SAINT JOHNSBURY AREA	8	0	5.1					75/05/01		1	1
VT	SPRINGFIELD AREA	8	0	4.8					74/09/17		1	1
VT	ST. ALBANS AREA	8	0	6.6					80/06/25		1	1
	STATE TOTALS									0	11	11
WA	ISLAND COUNTY	5	8705	6.5	17846	005.8	047.7		78/10/31		1	1
WA	KING COUNTY	8	11882	6.1	25333	010.4	004.9		70/03/03		1	1
WA	KITSAP COUNTY	8	10538	6.2	21456	004.5	036.2		70/10/02		1	1
WA	SAN JUAN COUNTY	8	8420	6.5	18579	010.9	102.6		77/02/18		1	1
	STATE TOTALS									0	4	4
WI	BROWN COUNTY	8	10300	6.0	21622	008.7	001.3		76/08/03		1	1
WI	EAU CLAIRE COUNTY	6	9855	5.8	19107	004.5	010.9		77/03/18		1	1
WI	FLORENCE COUNTY	1	6851	5.7	14747	004.8	026.5		66/07/01		1	1
WI	LACROSSE COUNTY	8	9182	5.4	19668	010.2	007.8		70/04/24		1	1
WI	LAFAYETTE COUNTY	6	7734	5.7	17655	007.1	006.2		78/02/22		1	1
WI	MILWAUKEE CITY OF (PT)	6	0						74/10/25		1	1
WI	SHEBOYGAN COUNTY	6	10195	5.7	21525	006.0	000.8		78/02/22		1	1
WI	WALWORTH COUNTY	6	9687	5.3	20796	005.9	008.9		78/02/22		1	1
WI	WINNEBAGO COUNTY	6	10148	5.8	21173	007.5	003.7		78/02/22		1	1

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AB                          BASIS  MFI    2 YR END  MFI    LOSS   (NEG = OUT)  LESS THAN    MORE THAN    3 YR DSG    3 YR DSG    AREA
                            QUAL          12/87                                3 YEARS      3 YEARS      COUNT       COUNT       COUNT

    STATE TOTALS                                                                                          0           9           9

WV BERKELEY COUNTY          8      8001   6.5       18234  004.1  022.4                     71/08/18                 1           1
WV JEFFERSON COUNTY         8      7721   3.6       17577  002.3  037.0                     71/08/18                 1           1
WV MONONGALIA COUNTY        8      7753   5.1       18675  006.2  011.4        85/07/15                  1                       1

    STATE TOTALS                                                                                          1           2           3

WY LARAMIE COUNTY           7      9162   6.3       20890  010.2  009.6                     73/05/08                 1           1

    STATE TOTALS                                                                                          0           1           1

TOTAL AREA COUNT                                                                                          19          777         796
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Mr. **Oberstar**. Were any grants made in those areas in the last year?

Mr. **Swindle**. I do not know. It is conceivable that some could have been because, as I would point out to the Chairman, my emphasis is on rural areas, but by no stretch of the imagination does that mean that we exclude areas—or "pockets of poverty" is a term which I think we all understand; I think it comes from the HUD terminology—and we conceivably could have made a grant in one of those areas if there was a unique problem in a particular town which qualified.

Mr. **Oberstar**. Would any of your staff have information about that?

Mr. **Swindle**. We will certainly go back and provide that information, yes, sir.

[The following was received from Mr. Swindle:]

FY 87 TITLE IX PROJECTS LOCATED IN DE-DESIGNATED AREAS

DE- DESIGNATED AREA	TITLE IX GRANTEE	PROJECT #	DATE APPROVED	DOLLAR AMT.
Fall River Area, MA	City of Fall River	01-19-02893	07/22/87	$550,000
Baltimore County, MD	Baltimore County	01-19-02992	06/25/87	500,000
Buena Vista Area, VA	City of Buena Vista	01-09-02914	09/22/87	30,000
Lynchburg County, VA	City of Lynchburg	01-19-02982	09/22/87	500,000
Granville, County, NC	City of Granville	04-19-03519	09/22/87	274,320
Richland County, SC	City of Columbia	04-39-03312.01	06/09/87	150,000
Putnam County, IN	City of Greencastle	06-19-02265	09/21/87	217,500
Hamilton County, OH	City of Norwood	06-09-02266	09/21/87	75,000

FY 87 TITLE I PROJECTS LOCATED IN DE DESIGNATED AREAS

ST	EDIT NO.	APPLICANT	DESCRIPTION	EDA$	TP$	APPROVED
NC	176	Craven County	Swr. transport mn. swr out	375000	625012	6/17/87
MO	329	City of Bethany	Water system improvement	360000	600000	8/03/87
SD	184	City of Lake Norden	Water system improvement	180000	300000	6/17/87
SD	433	City of Howard	Ind. park development	210000	350000	9/28/87
UT	91	Bona Vista Water impr. d	Water sys. improvements	500000	1000000	3/30/87
IN	98	Ft Wayne City of	Rehab an old indus area	374400	624000	8/26/87
MN	320	Minneapolis City of	Incubator facility	1000000	2000000	3/30/87
WA	135	Snoqualmie City	Sewer/water extensions	576000	960000	9/30/87
SC		Columbia	Constru of Elmwood loop	5730000	5730000	8/13/87
SC		Lexington	Constru of fiber/optics research fac.	3828000	4354909	7/21/87

Mr. OBERSTAR. The point is, I believe that the de-designation process ought to be followed, and that where there are areas that no longer qualify, they ought to be removed. And in the new legislation, H.R. 2686, which has passed the House, and which would revise EDA, we have provided a process that is in effect self—dedesignating, that once an area has received designation and eligibility for a project, its eligibility applies to that project only; and in the future should another grant be desired, another project be conceived by that area, they would have to come in and reestablish eligibility all over again. So there is no continuing eligibility under our H.R. 2686, which I hope your staff has read and is fully familiar with. That would resolve this.

But I think the point is that EDA historically has not invested funds in areas that, by the yardstick of measurement, no longer qualify even though they remain grandfathered in. I think by and large the overwhelming point of EDA investment, particularly since your administration of the program, has avoided putting funds into those areas that no longer qualify, and that means that of the 211 projects and some nearly 2,000 eligible areas, you're serving 10 percent of the areas that are eligible and targeting those resources to the areas of highest economic distress. Is that correct?

Mr. SWINDLE. There were several points there that I would like to address.

I can assure you that if I had anything to do with it in my tenure, we did not go into areas that were no longer eligible by the economic criteria unless there was a specific, unique problem, and I have no regrets at all about going in and addressing that problem.

Mr. OBERSTAR. That's what the program is intended to do, that's right.

Mr. SWINDLE. And the existing legislation provided the means of de-designation, and the Congress immediately overrode that and has done it every subsequent year since by disallowing EDA to implement the de-designation process. So I am not sure that by placing——

Mr. OBERSTAR. I don't want to get into a debate on how de-designation is administered because I don't want to spend the time on it.

The point is that you have targeted those 211 projects to the areas of greatest need, if I understand your statement correctly?

Mr. SWINDLE. That's right. As I mentioned earlier, and the Congressman may not have been in at the time, I think our average grant last year was around $600,000 in public works, and the unweighted average unemployment of those grants was over 12 percent. So that is hitting pretty deeply at economically distressed areas.

Mr. OBERSTAR. Your statement is notably lacking though, Mr. Swindle, in reference to jobs created in those areas where grants were approved. Do you have some figures on that?

Mr. SWINDLE. We certainly do. I will provide you with the statistics that we have.

Mr. OBERSTAR. I'm surprised, though, that you didn't provide that in your statement here. This is essentially a job-creating program.

Mr. Swindle. Well, I do not have any problem in giving those figures, Congressman. If the committee would like them, we will certainly provide the figures that we have.

Mr. Oberstar. But that's the whole point of EDA, is to create jobs, growth, economic opportunity for people.

Mr. Swindle. Well, I think the private sector has done a pretty good job——

Mr. Oberstar. But I'm not talking about the private sector. We're talking about what your agency did with the funds that Congress entrusted to you to stimulate growth and economic opportunity in areas of distress, and the whole point of the investment is not a statistical listing of how much money you had and where it went, but how it benefitted people. Your statement does not show a sense of working with the needs of people, Mr. Swindle.

Mr. Swindle. Well, I am very concerned with the needs of people, Mr. Oberstar, but for one thing, the projects that I am addressing in fiscal year 1987 I doubt seriously if over half of them have even gotten started. Therefore, no jobs have been created at this point.

Mr. Oberstar. That's right, but how many were supposed to be created?

Mr. Swindle. Well, that is the point on which I was taking exception with the Chairman because we have some grave reservations as to whether those——

Mr. Oberstar. But you approved those projects.

Mr. Swindle. It is the best we have to go on. I am trying to implement the program as it was designed——

Mr. Oberstar. I want you to.

Mr. Swindle [continuing]. We are going by the best measures that we have. Now, we can get into a philosophical debate over whether the Federal Government through taxing and taking away from one group and giving to another is really a plus, or is it——

Mr. Oberstar. What I'm trying to develop with you, I hope, is a sensitivity that the purpose of this program is to bring people economic opportunity by creating jobs for them. I want you to be sensitive to that and to address the matter of jobs created or expected to be created by the investments made.

Mr. Swindle. Mr. Oberstar, I am extraordinarily sensitive to the needs of people, and I can assure you that I stress that with the people of the agency that I supervise. That's a statistical drill, also. We take away opportunity by taxing excessively to put into the Federal program——

Mr. Oberstar. Wait a minute. We're not here to discuss the matter of tax policy. We're here to assess your stewardship of the Economic Development Administration, a large part of which—the whole point of which—is to create jobs, and you didn't address that matter in your statement. I find that very disturbing.

So I would expect an accounting of the jobs created, directly and indirectly, from the funds that you have invested in fiscal year 1987 and thus far for the amount of funds that you have invested in the current fiscal year.

Mr. Swindle. I will be happy to provide the committee and the Congressman with data which is estimates of jobs created directly, which will be created directly, because many of the projects, as I said, have not even begun so we do not have accurate figures.

Let me give you the figures I have right here before me. I can do it very quickly.

Mr. **Oberstar**. Yes.

Mr. **Swindle**. Job creation, construction jobs in fiscal year 1987, 2,276. Long-term jobs, 55,890. Estimated average long-term job cost ratio, dollars per job, is $2,108.

Mr. **Oberstar**. All right. Thank you very much. I'm sorry it took so long to get that information, but the purpose, again—we do need to have this recitation of the dollars, where they were invested, as appropriated by the Congress. But I also want to hear from you that you really are sensitive to the needs of communities to put people to work. This program is not just "throw a buck here and throw a buck there." This program is focused on helping communities improve their economic standing, and the only way we do that is with a job. That's the whole purpose of this program. And what I want to see is the bottom line, jobs, where they were created, how many, what the people are doing with them, what types of investments were made with those Federal dollars, and how the private money was leveraged with those Federal dollars. I think you understand that, and I want you to put it down in writing for us so that we have a better accounting of your stewardship of the program.

Mr. **Swindle**. I will be happy to put it in writing. I think my stewardship of the program has been pretty good because we have made a heck of an effort to try to concentrate on areas of highest economic distress.

[The following was received from Mr. Swindle:]

It is, of course, much too soon to be able to provide information on the actual impacts of public works projects approved in FY 1987. Not only do most public works projects involve construction periods of at least 12 months, numerous evaluations hae demonstrated that job and investment impacts in distressed areas do not occur overnight. On the average, a project has to be completed five to seven years before substantial impact take place.

Normally when EDA is asked about job generation impact, we apply cost per job data developed in past evaluations of public works projects to provide estimates of the potential impact of recently funded activities. Recently, however, in response to a question from the National Association of Development Organizations, we provided information submitted by project applicants regarding their expectations for job generation and private sector funds leveraged. Those figures indicated that EDA's FY 1987 public works grants would create approximately 56,000 jobs, for a cost of $2,100 per job, and leverage $1.4 billion in private sector investment.

Our experience is that applicants' figures overstate considerably the economic impact of public works projects. Evidence from evaluations of hundreds of projects over the past two decades shows that EDA's cost per job[1] ranges between $4,000 and $6,400, which would suggest that, as projects mature (five to seven years after construction completion), the projects funded in FY 1987 will generate between 18,400 and 29,500 direct jobs. Similarly, evaluations show that, over a five-to-seven year period, each dollar of EDA investment is related to approximately $5 in attributable private sector investment. Thus, the FY 1987 expenditures of $117.8 million are likely over such a time period to be associated with approximately $600,000,000 in private sector financing.

With regard to the types of public works projects funded in FY 1987, they were basically the same as the previous years. Major categories were industrial parks, water and sewer lines to serve industrial/commercial areas, road and street im-

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[1] This figure is based only on EDA's funds and does not take into account other project monies or lost opportunity costs possibly associated with the projects.

provements in industrial/commercial areas, industrial buildings, small business incubators, and port improvements.

Mr. Swindle. As to the accuracy of those figures, Congressman, I would not attest to it in any way whatsoever because we are taking figures——

Mr. Oberstar. Take all the disclaimers, then, that you choose, but do give me the numbers and do give me the information on the human side of this program. I don't criticize you; I don't fault you; in fact, I commend what you are doing in targeting resources, focusing that agency on the areas of highest distress, highest need. But it distressed me greatly that the only reference to jobs in your statement was those you cut in EDA. I don't think that that shows a proper focus.

Mr. Swindle. Incidentally, Congressman, we found jobs for all those we cut.

Mr. Oberstar. Well, that's fine.

Mr. Swindle. But we really did not cut jobs, we just moved——

Mr. Oberstar. I'm glad you did. I'm glad the agency was able to help those who were RIF'ed or terminated for whatever purpose. But I want to keep the focus of EDA on local job creation.

Thank you.

Mr. Swindle. Yes, sir.

Mr. Oberstar. Thank you, Mr. Chairman.

Mr. Savage. Thank you.

Mr. Clinger—let me just say that we have a vote. Let's see if we can get through your questions, Mr. Clinger, before we break for the vote.

Mr. Clinger. Thank you, Mr. Chairman.

Back to the de-designation issue, and I think that I certainly commend the effort there. I believe we on the subcommittee have long recognized that there is a need to take off the rolls those areas which clearly no longer meet the criteria.

You indicated you were considering a rule to do that. I'm wondering if you feel you were not inhibited by existing legislation from doing that without some direction from Congress?

Mr. Marten. I think it's a misstatement, a misprint. It did say "regulation;" we did intend "statute," Mr. Clinger.

Mr. Clinger. Okay. That's what I wanted to find out. You were not going to unilaterally do this?

Mr. Marten. No, sir.

Mr. Clinger. My hope would be that you could get it before the Congress——

Mr. Marten. In fact, I think we will have it submitted this session.

Mr. Clinger. Okay, thank you.

Mr. Swindle. I appreciate your bringing that up, because I picked it up and tried to clarify it as I was reading it. I said "regulation" but it should have been "legislation." That's the only way we can effectively correct that.

Mr. Clinger. We do sort of tend to protect our prerogatives here. [Laughter.]

The other issue that ought to be raised is that one of the major criticisms in past years, starting with David Stockman on down, has been that 84 percent of the country is qualified for EDA assistance. That is absurd. I think Mr. Oberstar has made the point that in fact you have not invested frivolously in areas that clearly were doing well on their own or were doing well because of EDA assistance, and that you have invested in those areas of highest need. And I think that is right.

But one thing that de-designation would enable you to do is that right now, because of add-ons, an area can qualify because it has not been de-designated. In other words, the add-ons become possible because 84 percent of the country is qualified, and if we had a de-designation it might not be so easy to accommodate those projects. Isn't that true?

Mr. SWINDLE. I am not sure it is because, going back to your Congressional prerogatives of establishing law, when it becomes law I don't really have a choice in the matter. If it passes the Congress it's law and I have to do it anyway, I think.

Mr. CLINGER. Okay. So you would not be bound by——

Mr. SWINDLE. I think if it becomes enacted and mandated by Congress through legislation and the program is signed, I do not think I have a choice in the matter. I would stand corrected if appropriate, but I am not sure that would be the case.

A point that Mr. Marten makes is that we have had several instances where add-ons actually said, "notwithstanding any other laws," etc. I think I had many of them—not only PWEDA, but Civil Rights, Environment—we had to waive three pages, as I recall, of laws to do an add-on project in a county in South Carolina.

Mr. SAVAGE. Excuse me, Mr. Secretary, we have to go vote. Please be patient and we'll come back as promptly as possible and we'll continue with Mr. Clinger's questioning.

Mr. SWINDLE. Be happy to, sir. I believe you picked up the bill for lunch last year when we had these delays, and I know you will do that again. [Laughter.]

[Recess.]

Mr. SAVAGE. Mr. Clinger, would you like to resume?

Mr. CLINGER. Thank you, Mr. Chairman.

Mr. Swindle, in your testimony you point to a problem that you identify as being a serious one for the agency, and that is the efforts over the years by the Congress to forgive various project sponsors from responsibilities they assumed. Through a loan guarantee or a grant.

I wonder, could you provide us for the record a list of those instances? Would you have that in a form that we could get a listing?

Mr. SWINDLE. Yes, sir.

Mr. CLINGER. I would want to say that as far as this Subcommittee is concerned, we have always been very, very opposed to granting those kinds of waivers or forgiveness because I think we recognize that it seriously undermines the credibility of the entire agency and makes it very difficult for you to administer the agency if a grant applicant or a project sponsor thinks, well, "I don't have to really abide by anything that's in these documents; I can just go to Congress and get them to give me a waiver and get out of it." I think it really does pose serious problems for you, but I would like to see how widespread it has been and specifically what instances there have been where waivers or forgivenesses have been given.

Mr. **Swindle**. We will be happy to provide that. I can remember several cases or incidents since I have been here and I would assume there have been those prior to me, but we will be happy to do some research and pull those out.

[The following was received from Mr. Swindle:]

PUBLIC LAW 97-377 - DEC. 21, 1982
CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1983

SEC. 157. Upon request of the city of Tacoma, Washington, the Secretary of Commerce shall authorize such city to sell or lease to any person the Pantages Centre for the Performing Arts building, without affecting the Federal assistance provided under the Public Works and Economic Development Act of 1965 (project numbered 07-11-02513), if such transfer documents provide for the operation of such facility as a performing arts center for at least twenty-five years after such transfer.

PUBLIC LAW 99-349 - JULY 2, 1986
URGENT SUPPLEMENTAL APPROPRIATIONS ACT, 1986

Upon the request of the Pike Place Market Preservation and Development Authority, Seattle, Washington, the Secretary of Commerce shall authorize the sale or lease to any person of the Fairley Group Building (project numbers 07-01-01890, as modified by 07-01-01890.01, and 07-11-02606) located in the Pike Place Market, King County, Washington, without affecting the Federal assistance provided under the Public Works and Economic Development Act of 1965, if the transfer documents provide for the continued use of the useful life of the building: **Provided**, That the provisions of 13 CFR 314.4 and OMB CIrcular A-102 Attachment N are hereby waived so long as the Fairley Group Building remains in the control of the public authority and is used as a public market during the expected useful life of the building.

PUBLIC LAWS 99-500 & 99-591
1987 APPROPRIATION ACT

Provided further, That notwithstanding any other provision of law or a contract to the contrary, the SEDA-COG Joint Rail Authority, Lewisburg, Pennsylvania, may sell any portion of the real property that was acquired in part with proceeds of a grant from the Economic Development Administration (grant numbers 01-19-02563) and may retain all the proceeds of any such sale so long as the proceeds are used for purposes which meet the criteria of and are approved by the Economic Development Administration.

ECONOMIC DEVELOPEMENT ADMINISTRATION
FY 1987
WRITEOFFS

NAME	AMOUNT
ABE LEVINE KNITTING MILLS	6,003.81
ABE LEVINE KNITTING MILLS INC	974,455.98
ALLEN KNITTING MILLS INC	160,275.00-
AMERICAN CONTRACT PKGRS INC	18,198.65
AMERICAN CONTRACT PKGRS INC	3,950.49
AMERICAN POUCH FOOD CO INC	5,134,764.52
AMERICAN POUCH FOOD INC	4,782,080.63
AMERICAN SKATE CORP	1,781,436.18
ASTORIA STUDIOS, INC.	491,672.20
ATLANTIC MERCHANTS	4,980,186.26
BASCO INC	188,441.35
BREEZY BAY INC	500.00-
CITY HALL	212,103.10
CNTYS OF FULTON & MONTGOMERY	939,495.63
COLUMBIA METAL CULVERT CO INC	645,679.49-
COLUMBIA PRODUCTS, INC.	9.04
COMMONWEALTH ALUMINUM CORP.	746,700.77
CORT INDUSTRIES CORP	99,999.99-
DIVISION GARMENT CO.INC.	445,820.99
DOUBLE R ORCHARDS INC	98.45
DURITE CORP LTD/	8,044.99
EASTERN LAMINATING CORP	5,250.00-
ECO SYSTEMS INDUSTRIES	212,992.47
EXECUTIVE AIR SERVICES INC	871,286.36
EXMORE FOODS INC	693,200.00-
FRANCHISE MANAGEMENT UNLIMITED	1,681,563.52
GATEWAY INLAND SHOE MFG CO INC	2,631.16
GILLESPIE FURNITURE CO.,INC.	3,878.83-
GRAND PORTAGE DEV CORP	67,699.26
HANDI-BAG CO INC	436.34
HAYWOOD SCHUSTER WOOLEN MILLS	259.38
HOWARD STORES CORP	890,816.09
HOWARD STORES CORP	244,385.70
HUTCHENS INDUSTRIES, INC.	220.80
HYGRADE HANDBAG CORP	421,042.43
INDUSTRIAL SIDERURGICA INC	123,417.20
INDUSTRIAL SIDERURGICA INC.	5,163,634.66
IRON WOOD PRODUCTS C	4,000.00-
J T KOLTIS ENTERPRISES INC.	824,166.50

ECONOMIC DEVELOPEMENT ADMINISTRATION
FY 1987
WRITEOFFS

NAME	AMOUNT
JOHN C KOHAUT INC	1,000.00-
LAKE PLACID CO	163,457.69
LAWNDALE ENTERPRISES INC	50,836.01
LEATHER COMFORT CORP	9,967.83-
LEATHER COMFORT CORP	199,074.59-
MAGUIRE BROTHERS	163.60
MAPLEWOOD POULTRY CO	149,363.67-
MARKAY BAGS INC	45,000.00-
MK INC.	1,547.30
NEW YORK CITY IDA	511,607.78
NINE ASSOCIATES INC	5,952.66
OKLA LAKE REDEVELOPMENT AUTH	10,625,999.38
OLD DOMINION BEEF, CO	239.65
OMB ASSOCIATES	2,530.87-
OSTROM CO	898,546.27
PARISH CHEMICAL CO	539,098.49
PEARL WICK CORPORATION	245,000.00-
PECOS VALLEY FEEDYARD INC	1,108,120.18
PEMBROKE STEEL CO	304,614.12
PLESCO PRODUCTS, INC	144.56
P.F. INDUSTRIES	27.08
RILEY CREEK LUMBER CO	304,606.19
RILEY CREEK LUMBER CO INC	90,900.84
ROBIN FOOTWEAR CORP.	808,103.69
S + S CORRUGATED PAPER MACH	497,841.42
SAUL + RALPH BECKER	1,348.24
SEATRAIN SHIP BUILDING	25,867,472.35
SEATRAIN SHIPBUILDING	48,906,516.00
SHOES BY RAPHAEL INC	86.81
STEPHANIE FASHIONS INC	449.38
TCD ENTERPRISES INC	969.65
TENNESSEE FORGING STEEL CO	3,477,250.72
TENNESSEE FORGING STEEL CORP.	132,049.02
THREE AFFILIATED TRIBES	21,099.60
THREE AFFILIATED TRIBES	152,428.94
THREE AFFILIATED TRIBES	282,424.84
THREE AFFILIATED TRIBES	41,916.04
UNIVERAL MFG & SUPPLY CO INC	28,213.11-
VIRGINIA PRODUCTS CORP	1,531.15-
WEXLER KNITTING MILLS	4,229.62-
WHITTIER LIFTS INC.	424.00
GRAND TOTAL	125,069,024.70

ECONOMIC DEVELOPEMENT ADMINISTRATION
FY 1986
WRITEOFFS

NAME	AMOUNT
ADAMS INDUSTRIES INC	938,062.38
ADAMS INDUSTRIES INC	847,792.01
ADVANCED SYST TECHNOLOGY INC	26,560.00-
AETNA LIFE INSURANCE CO	1,705,370.71
AHRENS AIRCRAFT	153,416.00-
AHRENS AIRCRAFT INC.	.00
ALLEN KNITTING MILLS INC	452,856.96
ALLEN KNITTING MILLS INC	476,899.56
ALLEN KNITTING MILLS INC	1,442,655.22
AMERICAN CHALLENGER CORP	20,000.00-
AMERICAN CONTRACT PKGRS INC	5,011.77-
BERG CHEMICAL CO INC	569,195.00
BERG CHEMICAL CO INC	345,501.55
BONAR CRYSTAL CO	548,100.36
BOND BAKING COMPANY	107,368.88-
BREEZY BAY INC	3,768.36-
CABANA CITY INC	49,891.41
CAPITOL FOOTWEAR CORP	179.24
CHAIN LAKES RESEARCH CORP	9,363.84-
CITY OF TOWER	448,000.98
COLUMBIA METAL CULVERT CO INC	645,679.49
COLUMBIA PRODUCTS INC	10,474.56-
COMPATIBLES INC	1,204.21
CORNWALL INDUSTRIES INC	478,528.38
CORNWALL INDUSTRIES INC	1,030,581.49
CRESSONA ALUMINUM COMPANY	256,684.67
CROW TRIBE OF INDIANS	532,156.09
DELTA ELECTRIC MOTOR CORP	373,259.18
DOUBLE R ORCHARDS INC	11,805.41
EASTERN LAMINATING CORP	3,500.00-
ELLWOOD STEEL CASTINGS, CORP.	691,134.33
EXECUTIVE EDITORS INC	708,335.23
EXMORE FOODS INC	210,171.28
FANCY INDUSTRIES INC	10,000.00-
FRIER INDUSTRIES, INC..	643,054.13
FRONTIER FOOTWEAR CORP	68,336.63-
GATEWAY SHOE MANUFACTURING	829,242.07
GILLESPIE FURNITURE CO INC	4,149.53
GOODIMADE MFG CO	35,718.09-
IRON WOOD PRODUCTS CORP.	887,597.26

ECONOMIC DEVELOPEMENT ADMINISTRATION
FY 1986
WRITEOFFS

NAME	AMOUNT
IRONWOOD PRODUCTS CORP	3,408,921.91
JOHN C KOHAUT INC	401,640.12
JOHN C KOHAUT INC	125,922.20
KIRSTEIN LEATHER	676,701.35
KNITCAPERS INC	589,201.32
KORF INDUSTRIES	382.50
LAKE PLACID CO	1,890.00
LEATHER COMFORT CORP	410,925.51-
LEECH LAKE RESERVATION	27,692.70
LEECH LAKE RESERVATION	131,310.17
M T SHAW INC	639.13
MAGUIRE BROS BRUSH CO INC	318,169.48
MAINE FENCE CO	608,789.29
MANISTEE INC	212.63
MAQUIRE BROS BRUSH CO	116,567.63
MARBILT INC	3,955,005.62
MARKAY BAGS INC	50.00-
MARLBORO FOOTWEAR CORP	1,020,910.67
MARYLAND GLASS CORP.S INC.	.00
MAURLEE MODULAR CORP	791.53
METHUEN INTERNATIONAL MILLS	138,006.18
MICHIGAN AGRI-FUELS INC	10,155,975.35
MICROSTAR INC	4,121,372.09
MUSKIN SHOE CORP	3,597.70-
NACHMAN INDUSTRIES INC	4,558.95-
PARAGON WIRE & CABLE	612,542.79
PARK SILK CO INC	30,293.84-
PARK SILK CO.	45,788.02
PIVOT METAL WORKS	93,527.90
PIVOT METAL WORKS INC	559,834.24
QUAKER SHOE CORP	1,180,798.47
Q-T SHOE MFG CO INC	1,440,123.17
RAPID PROCESSING COMPANY INC	93,863.08
READING INDUSTRIES, INC.	146,780.80
REVERE COPPER + BRASS, INC.	40,758.64
ROSEWIN COATS INC	1,246,498.38
SELVIN SHOE CO INC	92,505.32-
SHINDANA TOYS, INC.	18,892.85
SHRIMP KING INC	1,612,224.10
SKOTTIE ELECTRONICS INC	178,676.71-
SUNWISE INC	418,068.69
SUPEREX ELECTRONICS CORP	568,031.58
TOBIN PACKING CO INC.	2,118,893.49
TRIMBLE CATTLE CO	8.21
UNIVERAL MFG & SUPPLY CO INC	618,560.45
VANITY FAIR CORP	1,116,133.08
VANITY FAIR CORP	168,563.05
VIRGINIA PRODUCTS CORP	1,522.71-
WEXLER KNITTING MILLS	1,154,267.63
GRAND TOTAL	53,006,699.75

ECONOMIC DEVELOPEMENT ADMINISTRATION
FY 1985
WRITEOFFS

NAME	AMOUNT
AERFAB CORPORATION	930,915.43
AHRENS AIRCRAFT	8,554,859.76
AHRENS AIRCRAFT INC	90,430.67
ALPHA BAKING CO INC	1,300.72
AMER PACIFIC CONTAINER	120,000.00-
AMERICAN CONTRACT PKGRS INC	227,249.29
AMERICAN CONTRACT PKGRS INC	210,078.05
ANTENNA INC	288,055.70
ATLANTA UMBRELLA CO INC	735,031.06
ATLANTA UMBRELLA CO INC	286,798.44
BELL HANDBAGS INC	7,925.69-
BELL HANDBAGS INC	8,763.79
BERTLYN INDUSTRIES INC	1,006,847.27
BUTLER FURNITURE INDUSTRIES	355.42
CARTER LEATHER GOODS CO INC	661,187.77
CHIPPEWA CREE TRIBE	28,332.70
CHIPPEWA CREE TRIBE ROCKY BOYS	58,659.65
CMPI INC	.00
COLORADO COMMERCIAL MEAT	206.40
COMPATIBLES INC	217,701.74
CONFEDERATE TRIB	2,146,380.39
CONFEDERATED TRI	897,047.36
DEANSGATE INC	824,499.90
DEANSGATE,INC.	1,863,332.95
DICKSON COUNTY	389,456.42
DOUBLE R ORCHARDS	44,117.65
DOUBLE R ORCHARDS INC	35,922.37
EL GANDERO INC	367.20
EMANUEL COUNTY DEVEL AUTHORITY	10,000.00-
EMPRESAS ROSADO, INC.	97,531.78
FAIRFAX MANUFACTURING CO	341,962.63
FANCY INDUSTRIES INC	208,249.59
FLIGHTWAYS OF LONG ISLAND	882,139.90
FORWARD INC	1,519,364.08
FRONTIER FOOTWEAR	104,874.09
FRONTIER FOOTWEAR CORP	313,790.13
GIANTS RIDGE INC	2.00
GREAT SIX CO	80,525.19-
GREAT SIX CO	.00
HANDI-BAG CO INC	563.40

ECONOMIC DEVELOPEMENT ADMINISTRATION
FY 1985
WRITEOFFS

NAME	AMOUNT
HAROLD GALE DISPLAYS INC	295,237.94
HILL WOOD PRODUCTS	12.91
HMS SPORTSWEAR INC	1,191,310.32
HORTEX INC	1,500,000.00
HULL DYE & PRINT WORKS INC	17,172.14-
HUTCHENS INDUSTRIES INC	904,047.46
JACOBY BENDER INC	108,351.34
KADIN BROTHERS INC	405,195.48
KEARSARGE METALLURGICAL CORP	9,183.30-
KELLY SLAX, INC.	172,184.03
LAWRENCE MAID FOOTWEAR INC	1,188,742.79
LEWIS PURSES INC	5,779.44-
M T SHAW INC	341,266.97
MAPLEWOOD POULTRY CO	.00
MARK INDUSTRIES	528.49
MARKAY BAGS INC	1,020,905.85
MIGHTY ATLAS SHOE CORP	606,091.22
MINER INDUSTRIES,INC.	194,858.75
MISSOURI FORGE INC	626,906.38
MULTIVOX CORP OF AMERICA	429,363.08
NACHMAN INDUSTRIES INC	124,799.92
NELSON BROS METAL ORNAMENTS	74,515.18
OMB ASSOCIATES	14,992.13-
ORANGE WTR & SEWER AUTH	351,750.00
PEARL WICK CORPORATION	101,936.11-
PRECISION PROCESSING INC	1,528,547.45
PREPAC INC	1,398,202.56
PUEBLO BEEF PRODUCTS,INC.	238.33
RAMSAY PRODUCTS INC	7,396.39
REVERE COPPER : BRASS INC	17,738.57
SACKS FOOTWEAR CORP	1,893.00-
SACKS FOOTWEAR CORP	107.00-
SELVIN SHOE CO INC	719,306.09
SHELTONS SUPERMARKET INC	204,578.67
SHELTON'S SUPERMARKET INC	367,606.30
SHINDANA TOYS INC	341.90
SHOES BY RAPHAEL INC	263.25
SPRA RITE CORP	474,086.47
STEEL PLAZA INC	931,021.96
SUCESORES DE ABARCA INC	87,149.49
SUNTOGS OF MIAMI INC	72.93-
SUNWISE INC	759,099.28
T J SCOTT INC	260,503.57
TABLEAU CO INC	551.15
TENN-FLAKE OF MIDDLESBORO INC	60,103.19-
TOWN & COUNTRY SHOES INC	5,000.00-
TRIPLE H APPAREL INC	18,116.38-
VIRGINIA PRODUCTS CORP	2,798,416.07
WEST VIRGINIA IND DEL CORP	3,075.00-
GRAND TOTAL	41,611,509.82

Mr. CLINGER. I can recall when I was at the agency that we had responsibility for some of the Trade Adjustment Assistance loans, which I think anybody would characterize as basket cases, but I wonder under what authority and precisely when was the responsibility transferred to EDA, not only to service those but also to have the responsibility for paying them off?

Mr. SWINDLE. It was done this past December 23rd. It was in the omnibus appropriations bill——

Mr. CLINGER. The omnibus bill of this year?

Mr. SWINDLE. In December. Yes, sir.

Mr. CLINGER. Because up until that time it had been shifted over to ITA. They had the liabilities as well as the assets to back them up. They were servicing all of those loans. I'm sure it's a portfolio that nobody really wants to have to deal with.

Mr. SWINDLE. I guess they just held them until they got so bad they wanted to give them back, something like that.

Mr. CLINGER. You have talked on numerous occasions about the efforts you have made to decentralize the processing of the various project applications. Specifically, what do the regional offices now have in terms of the kinds of projects they can approve?

Mr. SWINDLE. I think the best way to summarize it is to talk about what they do not have the final approval on. They do not have final approval on public works projects. They do not have final approval on Title IX, which is a mixture of all of the programs we have.

One of the things that we have done, they essentially—I have forgotten the ratio.

Mr. Perry, what did we figure the ratio was for the number of projects forwarded that we turned down from the regions?

Mr. PERRY. It was less than 5 percent.

Mr. SWINDLE. So we have a good system in place where I am accepting the recommendations of the region to the tune of about 95 percent of the time. But they do have the authority to approve all the renewals of the planning grants, a lot of the technical assistance grants, the renewal of university center grants. So it is considerably more.

And perhaps something that is not so evident, when I got here they were actually having to come to Washington to get approval to invite an application. It was that bad. It was about three trips back and forth to get anything going, and we have eliminated a lot of that.

Mr. CLINGER. And the major programs, Title I and Title IX, those still would be processed at the regional office and then brought into Washington for final approval?

Mr. SWINDLE. Yes, sir. Final approval is up here but we have trimmed down the time substantially. In fact, you are familiar with the FARB process—I don't remember what that acronym means—but we've just won a major battle. We did not cut it out, but we put it on a parallel track so that they are doing things while we are doing things, which we would hope should cut as much as two weeks or more out of the process.

Mr. CLINGER. That was going to be my next question. What would you say the average time is now from time of application to project approval?

Mr. SWINDLE. From the time of the application, when all of the information is received in the regional office, it is about 45 to 50 days in the regional office and it has been about 42 days in the headquarters. But with this change in the FARB process we ought to be able to eliminate 15 days.

Mr. CLINGER. That would compare with what time period, say, four or five years ago?

Mr. SWINDLE. Perhaps I can answer that. When I first got here it was taking well in excess of six months, and now we have it down to four months now. I think that is a major improvement.

Secondly, it is the whole attitude of giving the regional directors and their staffs a sense of doing their jobs, which is what they should have. Quite frankly, as I said, I am approving roughly 95 percent of the public works grants that they forward to us with their recommendation for approval, which I think is a pretty high mark. It gives credibility to the work they are doing, but I think I would like to retain that final approval because it gives me the ability to look country-wide to make sure that we're not getting an overbalance somewhere. I at least have the prerogative of making a final judgment there, maybe delaying one here and picking it up with next year's money while we tend to this. That's basically my rationale on that.

Mr. CLINGER. Just one final question, Mr. Chairman.

You mentioned previously that it was tantamount to project approval to authorize a preapplication; that is, you were not really encouraged or even permitted in some cases to submit preapplication until it was pretty clear that you were going to be funded.

Since you have changed that policy, how does that break down? Of those that I assume you would now accept preapplications from generally, how would that break down in terms of how many would be declined or refused or rejected?

Mr. SWINDLE. Mr. Perry, do you recall that?

Mr. PERRY. I do not know that we ever ran exactly how many were brought in for a regional discussion. On most of them, it would be a high percentage, 85 or 90 percent, that would get processed or get an approval to go ahead with the process and an early discussion. Sometimes there are some minor deviations in what they are looking at, but it is a very high percentage.

Mr. SWINDLE. I have a figure here that may reflect a little bit about what we are doing.

This is as of the end of April. We had approved 71 projects for roughly $43 million. We had rejected or denied—or they were withdrawn or discontinued—$55 million, and in between those two extremes, the ones finally approved and those rejected, there is well in excess of $100 million that had been invited and that are in the pipeline, as I referred to. So we are roughly talking, off the top of my head, about $200 million.

Mr. Perry is pointing out that the $55 million is an accumulation of last year and this year, so it's really less. I will be happy to provide some statistics on that because I think with the system we have set up now, where we are tracking all this data and watching every step, where it is going, how long it is taking, I think we will be able to give you some good data on that.

Mr. CLINGER. That would be helpful, I think, if we got that.

Mr. Swindle. Very well. We will supply that information for the record.

[The following was received from Mr. Swindle:]

STATUS OF AUTHORIZED APPLICATION PROCESSING
FOR THE OFFICE OF ECONOMIC ADJUSTMENT ASSISTANCE
As of: 07/18/88

PHILADELPHIA REGIONAL OFFICE

LOCATOR NUMBER	PROJECT NUMBER	ST APPLICANT NAME	EDA DOLLARS	STATUS	AUTH DATE	APPLIC. IN REGION	DUE OEA	IN OEA	OUT OF OEA	DUE FARS	TO FARS	APPROVED BY FARS	FORWARD FOR APPR	APPROVED	MAILED	ACCEPTED	TOTALS
NNJ1002	01-09-00000.	NJ CITY OF HOBOKEN	39,000	P PENDING	05/11/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NWV1008	01-09-02960.	WV HARRISON CO. DEV. AUTH.	60,000	A APPROVED	11/03/87	01/28/88	03/01/88	05/06/88	05/06/88	/ /	05/11/88	05/18/88	05/19/88	06/07/88	06/10/88	07/06/88	
NVA1013	01-09-02961.	VA PIEDMONT PLANG DIST COMM	69,000	P PENDING	12/18/87	02/02/88	03/15/88	06/09/88	06/09/88	/ /	06/15/88	06/22/88	06/23/88	/ /	/ /	/ /	
	SSED-S Subtotal		168,000		1	0		0	0		0	0	1	1	1	1	3
NPA1011	01-19-00000.	PA MOSHANNON CHAN. OF COMM.	1,000,000	P PENDING	02/05/88	04/29/88	06/30/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NPA1012	01-19-00000.	PA CORRY REDEVELOPMENT AUTH	1,000,000	P PENDING	04/26/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NME1010	01-19-00000.	ME WALDO COUNTY	880,000	P PENDING	05/06/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NVA1015	01-19-00000.	VA COMMONWEALTH OF VIRGINIA	750,000	P PENDING	05/09/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NNY1013	01-19-00000.	NY ERIE COUNTY	800,000	P PENDING	06/09/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NVA1016	01-19-00000.	VA CUMBERLAND PLATEAU PD	1,000,000	P PENDING	06/29/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NWV1004	01-19-02919.	WV MID-OH VALLEY RPDC	647,000	A APPROVED	01/30/87	06/23/87	02/15/88	02/29/88	02/29/88	/ /	03/15/88	03/23/88	03/23/88	03/31/88	04/06/88	05/09/88	
NME1006	01-19-02921.	ME TOWN OF HARTLAND	742,500	A APPROVED	05/28/87	07/02/87	/ /	08/25/87	08/25/87	/ /	08/28/87	09/15/87	10/21/87	10/31/87	11/06/87	11/30/87	
NMD1003	01-19-02947.	MD BALTIMORE COUNTY	1,000,000	P PENDING	05/28/87	01/12/88	04/30/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NMA1004	01-19-02959.	MA EDIC OF LYNN	307,000	P PENDING	11/05/87	01/19/88	03/01/88	03/10/88	03/10/88	/ /	03/14/88	03/23/88	03/23/88	/ /	/ /	/ /	
	SSED-I Subtotal		8,126,500		5	2		0	0		0	0	1	2	2	2	10
CNY1011	01-39-00000.	NY SO TIER WEST REG PDB	400,000	P PENDING	12/18/87	04/01/88	03/31/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NPA1014	01-39-00000.	PA ALLEGHENEY COUNTY	58,000	P PENDING	06/20/88	07/18/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CME1008	01-39-02246.02	ME EASTERN MAINE DEV. DIST.	200,000	P PENDING	02/03/88	04/01/88	05/30/88	06/09/88	06/09/88	/ /	06/15/88	06/22/88	06/23/88	06/30/88	07/06/88	/ /	
CME1007	01-39-02247.02	ME ANDROSCOGGIN VALLEY COG	150,000	P PENDING	12/18/87	02/11/88	03/30/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CPA1009	01-39-02493.01	PA NW PA REG PDC	300,000	A APPROVED	12/18/87	01/25/88	03/01/88	02/29/88	02/29/88	/ /	03/02/88	03/14/88	03/15/88	03/23/88	03/30/88	04/08/88	
CPA1010	01-39-02548.01	PA SOUTHERN ALLEGANEY PDC	300,000	P PENDING	02/05/88	03/23/88	06/30/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CWV1007	01-39-02554.01	WV OHIO VALLEY IDDC	300,000	A APPROVED	04/20/87	05/22/87	03/01/88	03/16/88	03/17/88	/ /	03/22/88	03/31/88	04/06/88	04/11/88	04/18/88	04/25/88	
CNJ1001	01-39-02558.01	NJ CAMDEN ECO DEV CORP	300,000	P PENDING	02/05/88	03/29/88	05/15/88	06/01/88	06/02/88	/ /	06/01/88	/ /	/ /	/ /	/ /	/ /	
CNY1009	01-39-02608.01	NY GENESEE/FINGER LAKES RPC	300,000	A APPROVED	04/20/87	07/15/87	03/01/88	03/01/88	03/04/88	/ /	03/14/88	03/23/88	03/24/88	04/06/88	04/11/88	04/18/88	
NNY1012	01-39-02728.	NY NIAGARA COUNTY IDA	300,000	P PENDING	04/22/88	/ /	/ /	06/29/88	07/01/88	/ /	06/30/88	07/13/88	07/13/88	/ /	/ /	/ /	
CWV1009	01-39-02963.	WV REGION 8 PDC	187,500	P PENDING	12/18/87	02/12/88	03/30/88	06/30/88	07/01/88	/ /	07/11/88	/ /	/ /	/ /	/ /	/ /	
CWV1010	01-39-02975.	WV REG INTERGOVN'T COUNCIL	500,000	A APPROVED	12/22/87	03/15/88	04/15/88	06/01/88	06/02/88	/ /	06/01/88	06/13/88	06/14/88	06/20/88	06/24/88	/ /	
CVA1014	01-39-02987.	VA SW VA COMM DEV FUND	500,000	P PENDING	05/06/88	/ /	/ /	06/29/88	07/01/88	/ /	07/11/88	/ /	/ /	/ /	/ /	/ /	
	LTED-I Subtotal		3,795,500		0	4		0	0		3	0	1	5	5	3	13
REGIONAL TOTALS			12,090,000		6	6		0	0		3	0	3	8	8	6	26

STATUS OF AUTHORIZED APPLICATION PROCESSING
FOR THE OFFICE OF ECONOMIC ADJUSTMENT ASSISTANCE
As of: 07/18/88

ATLANTA REGIONAL OFFICE

LOCATOR NUMBER	PROJECT NUMBER	ST	APPLICANT NAME	EDA DOLLARS	STATUS	AUTH DATE	APPLIC. IN REGION	DUE OEA	IN OEA	OUT OF OEA	DUE FARB	TO FARB	APPROVED BY FARB	FORWARD FOR APPR	APPROVED	MAILED	ACCEPTED	TOTALS
MKY0259	04-09-00000.	KY	LAKE CUMBERLAND ADD	31,500	P PENDING	05/27/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MKY0266	04-09-00000.	KY	PURCHASE ADD	30,000	P PENDING	05/27/88	06/30/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MKY0263	04-09-00000.	KY	BARREN RIVER ADD	24,000	P PENDING	05/27/88	07/06/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MAL0257	04-09-03540.	AL	EAST ALABAMA RPDC	30,000	A APPROVED	11/12/87	01/04/88	02/19/88	02/17/88	02/19/88	/ /	02/24/88	03/07/88	03/07/88	03/11/88	03/16/88	03/25/88	
	SSED-S Subtotal			115,500		1	2		0	0		0	0	0	1	1	1	4
MNC0330	04-19-00000.	NC	TOWN OF COLUMBIA	201,750	P PENDING	01/15/88	05/16/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MAL0272	04-19-00000.	AL	CITY OF LIVINGSTON	340,000	P PENDING	05/27/88	07/08/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MSC0266	04-19-00000.	SC	TOWN OF OLANTA	175,000	P PENDING	05/27/88	07/11/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MMS0253	04-19-00000.	MS	KEMPER CTY BD SUPERVISER	639,000	P PENDING	06/10/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MMS0237	04-19-03529.	MS	NORTHEAST MISS PDD	900,000	D DENIED	04/12/87	06/22/87	/ /	08/26/87	09/16/87	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MSC0260	04-19-03557.	SC	ALLENDALE COUNTY	300,000	P PENDING	02/23/88	04/07/88	/ /	07/07/88	07/08/88	/ /	07/11/88	/ /	/ /	/ /	/ /	/ /	
	SSED-I Subtotal			1,655,750		1	3		0	0		1	0	0	0	0	0	5
CKY0252	04-39-03279.01	KY	PURCHASE AREA EDD	250,000	P PENDING	05/03/88	05/24/88	/ /	06/16/88	06/17/88	/ /	06/20/88	07/01/88	07/05/88	/ /	/ /	/ /	
CTN0252	04-39-03290.01	TN	SOUTHEAST TN EDD	250,000	P PENDING	05/03/88	05/24/88	/ /	06/16/88	06/17/88	/ /	06/20/88	07/01/88	07/05/88	/ /	/ /	/ /	
CKY1013	04-39-03494.	KY	LINCOLN TRAIL ADD	500,000	A APPROVED	03/20/87	04/30/87	/ /	06/26/87	06/29/87	/ /	06/30/87	07/14/87	10/26/87	10/31/87	11/06/87	11/09/87	
CSC0248	04-39-03526.	SC	LOWER SAVANNAH COG	500,000	A APPROVED	05/22/87	06/15/87	/ /	08/12/87	08/12/87	/ /	08/19/87	09/02/87	10/22/87	10/31/87	11/06/87	11/12/87	
CSC0255	04-39-03542.	SC	UPPER SAVANNAH COG	500,000	A APPROVED	11/10/87	01/06/88	02/12/88	02/08/88	02/12/88	/ /	03/02/88	03/14/88	03/14/88	03/23/88	03/28/88	04/26/88	
CAL0000	04-39-03570.	AL	EAST ALABAMA PDD	500,000	P PENDING	05/03/88	06/07/88	/ /	06/16/88	06/17/88	/ /	06/20/88	07/01/88	07/05/88	/ /	/ /	/ /	
CSC0265	04-39-03571.	SC	SANTEE-LYNCHES	500,000	P PENDING	05/03/88	06/08/88	/ /	06/16/88	06/17/88	/ /	06/20/88	07/01/88	/ /	/ /	/ /	/ /	
	LTED-I Subtotal			3,000,000		0	0		0	0		0	1	3	3	3	3	7
REGIONAL TOTALS				4,771,250		2	5		0	0		1	1	3	4	4	4	16

STATUS OF AUTHORIZED APPLICATION PROCESSING
FOR THE OFFICE OF ECONOMIC ADJUSTMENT ASSISTANCE
As of: 07/18/88

DENVER REGIONAL OFFICE

LOCATION NUMBER	PROJECT NUMBER	ST APPLICANT NAME	EDA DOLLARS	STATUS	AUTH DATE	APPLIC. IN REGION	DUE OEA	IN OEA	OUT OF OEA	DUE FARS	TO FARS	APPROVED BY FARS	FORWARD FOR APPR	APPROVED	MAILED	ACCEPTED	TOTALS
MC0000	05-09-00000.	CO CITY OF LA JUNTA	30,000	P PENDING	04/28/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
	SSED-8 Subtotal		30,000		1	0		0	0		0	0	0	0	0	0	1
MKS0001	05-19-02319.	KS CITY OF CHANUTE	487,500	A APPROVED	10/08/87	01/15/88	02/29/88	02/12/88	02/24/88	/ /	03/04/88	03/17/88	03/17/88	03/17/88	03/18/88	03/22/88	
MND0126	05-19-02320.	ND TURTLE MT BD/CHIPPEWA IN	310,000	W WITHDRAWN	02/11/88	/ /	/ /	05/06/88	/ /	/ /	05/11/88	05/18/88	/ /	/ /	/ /	/ /	
	SSED-I Subtotal		487,500		0	0		0	0		0	0	0	1	1	1	1
CSD1001	05-39-02064.01	SD PLANNING & DEV DIST III	225,000	P PENDING	01/11/88	03/07/88	/ /	06/02/88	06/15/88	/ /	06/15/88	06/22/88	07/01/88	/ /	/ /	/ /	
CIA0080	05-39-02172.01	IA SIOUXLAND EDC	300,000	A APPROVED	04/29/87	06/01/87	/ /	07/30/87	08/11/87	/ /	08/12/87	08/27/87	10/23/87	01/15/88	01/22/88	02/17/88	
CIA0134	05-39-02195.01	IA E. CEN. INTERGOVN'T ASSO	300,000	A APPROVED	04/23/87	06/03/87	/ /	07/30/87	08/11/87	/ /	08/19/87	09/02/87	10/26/87	01/15/88	01/21/88	02/18/88	
CMO0173	05-39-02313.	MO OZ FOOTHILLS RPC	500,000	A APPROVED	03/12/87	12/16/87	03/31/88	02/12/88	02/17/88	/ /	02/24/88	03/07/88	03/07/88	04/04/88	04/08/88	05/09/88	
CUT0067	05-39-02326.	UT SIX COUNTY DEV DIST	500,000	P PENDING	01/11/88	02/22/88	/ /	06/10/88	06/16/88	/ /	06/15/88	06/22/88	/ /	/ /	/ /	/ /	
	LTED-I Subtotal		1,825,000		0	0		0	0		0	1	1	3	3	3	5
REGIONAL TOTALS			2,342,500		1	0		0	0		0	1	1	4	4	4	7

STATUS OF AUTHORIZED APPLICATION PROCESSING
FOR THE OFFICE OF ECONOMIC ADJUSTMENT ASSISTANCE
As of: 07/18/88

CHICAGO REGIONAL OFFICE

LOCATOR NUMBER	PROJECT NUMBER	ST APPLICANT NAME	EDA DOLLARS	STATUS	AUTH DATE	APPLIC. IN REGION	DUE OEA	IN OEA	OUT OF OEA	DUE FAAB	TO FAAB	APPROVED BY FAAB	FORWARD FOR APPR	APPROVED	MAILED	ACCEPTED	TOTALS
MMI0271	06-09-00000.	MI BARRY COUNTY	25,000	P PENDING	05/09/88	07/06/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MOH0229	06-09-02189.01	OH OHIO VALLEY RDC	75,000	P PENDING	05/25/88	07/06/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MMI0261	06-09-02289.	MI MARQUETTE COUNTY	45,000	A APPROVED	11/19/87	02/03/88	02/29/88	05/20/88	05/23/88	/ /	05/25/88	06/01/88	06/01/88	06/08/88	06/13/88	06/30/88	
MMI0255	06-09-02291.	MI GENESSEE COUNTY	200,000	A APPROVED	07/24/87	08/03/87	02/15/88	03/07/88	03/08/88	/ /	03/09/88	03/17/88	03/17/88	03/21/88	03/24/88	04/26/88	
	SOEB-S Subtotal		345,000		0	2		0	0		0	0	0	2	2	2	4
MMN0147	06-19-00000.	MN FAIRMONT CITY	250,000	P PENDING	02/02/88	03/23/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MMI0177	06-19-00000.	MI MORINEE CITY	991,916	W WITHDRAWN	11/20/87	02/12/88	03/30/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
KIN0169	06-19-00000.	IN DECATUR CITY/ADAMS CO.	692,925	P PENDING	01/28/88	03/15/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
MWI0188	06-19-00000.	WI EAU CLAIRE	920,000	P PENDING	05/26/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
KIN100	06-19-02232.	IN EVANSVILLE	502,500	A APPROVED	02/27/87	04/03/87	/ /	11/30/87	11/30/87	/ /	01/20/88	02/01/88	02/03/88	02/16/88	02/19/88	03/04/88	
	OSEB-I Subtotal		2,345,425		1	2		0	0		0	0	0	1	1	1	4
CMN0150	06-39-00000.	MN MID-MINNESOTA DEV. COMM.	350,000	W WITHDRAWN	01/14/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CIL0205	06-39-00000.	IL HENRY, COUNTY	336,000	P PENDING	02/19/88	04/20/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
COH0214	06-39-00000.	OH JEFFERSON ECON DEV COMM	450,000	P PENDING	02/22/88	05/02/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CIL0215	06-39-00000.	IL IND. CNCL. ON CHICAGO	37,500	P PENDING	04/11/88	05/25/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CMI020501	06-39-02056.01	MI CITY OF FLINT	250,000	P PENDING	01/25/88	/ /	/ /	06/23/88	06/24/88	/ /	06/27/88	07/06/88	/ /	/ /	/ /	/ /	
COH0151	06-39-02054.01	OH CITY OF LORAIN	300,000	A APPROVED	04/24/87	05/28/87	02/15/88	02/12/88	02/18/88	/ /	02/24/88	03/17/88	03/17/88	03/17/88	03/22/88	04/04/88	
CMN123	06-39-02087.01	MN MN RE DEV COMM	300,000	A APPROVED	12/15/87	01/29/88	04/15/88	03/14/88	03/14/88	/ /	03/16/88	03/23/88	03/24/88	03/31/88	04/06/88	04/26/88	
CIL0195	06-39-02174.00	IL WILL COUNTY	400,000	D DENIED	01/15/87	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CIL0123	06-39-02255.	IL CITY OF PEORIA	300,000	A APPROVED	05/18/87	06/15/87	02/15/88	02/10/88	02/11/88	/ /	02/22/88	03/07/88	03/07/88	03/11/88	03/16/88	04/05/88	
CMN1001	06-39-02257.	MN ARROWHEAD REG. PLNG.COMM	500,000	A APPROVED	03/11/87	06/22/87	/ /	06/30/87	06/30/87	/ /	07/08/87	07/21/87	10/22/87	10/31/87	11/06/87	11/30/87	
CIN1906	06-39-02280.	IN CITY OF MADISON	300,000	A APPROVED	01/22/87	02/18/88	02/15/88	03/21/88	03/22/88	/ /	03/23/88	03/31/88	04/04/88	04/14/88	04/19/88	05/20/88	
COH0211	06-39-02287.	OH CITY OF KENT	200,000	A APPROVED	12/07/87	02/08/88	03/30/88	/ /	05/03/88	/ /	05/03/88	05/11/88	05/12/88	05/16/88	05/19/88	05/31/88	
CMN0149	06-39-02302.	MN UPPER MINN. VALLEY RDC	350,000	A APPROVED	01/28/88	03/17/88	/ /	06/15/88	06/16/88	/ /	06/15/88	06/22/88	06/23/88	07/06/88	07/11/88	/ /	
CIL0207	06-39-02303.	IL CTY OF ONLEY/RICLAND CO.	300,000	A APPROVED	01/29/88	03/11/88	/ /	04/27/88	04/27/88	/ /	05/03/88	05/11/88	05/12/88	05/16/88	05/19/88	05/24/88	
	LTEB-I Subtotal		3,823,500		0	3		0	0		0	1	0	8	8	7	12
REGIONAL TOTALS			6,513,925		1	7		0	0		0	1	0	11	11	10	20

STATUS OF AUTHORIZED APPLICATION PROCESSING
FOR THE OFFICE OF ECONOMIC ADJUSTMENT ASSISTANCE
As of: 07/18/88

SEATTLE REGIONAL OFFICE

LOCATOR NUMBER	PROJECT NUMBER	ST APPLICANT NAME	EDA DOLLARS	STATUS	AUTH DATE	APPLIC. IN REGION	DUE DEA	IN DEA	OUT OF DEA	DUE FARS	TO FARS	APPROVED BY FARS	FORWARD FOR APPR	APPROVED	MAILED	ACCEPTED	TOTALS
WWA0362	07-09-00000.	WA MAKAH INDIAN TRIBE	15,000	W WITHDRAWN	11/27/87	12/23/87	02/29/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
WID0211	07-09-03055.	ID IDA-ORE EDD	25,000	P PENDING	01/12/88	02/12/88	/ /	07/13/88	/ /	/ /	07/13/88	/ /	/ /	/ /	/ /	/ /	
WCA1001	07-09-03060.	CA STANISLAUS	22,500	A APPROVED	12/28/87	02/18/88	02/29/88	04/11/88	04/12/88	/ /	04/12/88	04/20/88	04/21/88	04/28/88	04/28/88	05/25/88	
WCA1639	07-09-03069.	CA CITY OF WHITTIER	90,000	P PENDING	02/25/88	03/17/88	/ /	06/07/88	06/08/88	/ /	06/08/88	06/15/88	06/16/88	06/30/88	07/06/88	/ /	
	SSED-S Subtotal		137,500		0	0		0	0		1	0	0	2	2	1	3
WID0203	07-19-03044.	ID SODA SPRINGS	675,000	A APPROVED	06/30/87	08/03/87	/ /	12/21/87	12/22/87	/ /	01/20/88	02/01/88	02/03/88	03/07/88	03/09/88	04/13/88	
WCA1640	07-19-03063.	CA BUTTE COUNTY EDC	25,000	P PENDING	03/28/88	05/05/88	/ /	06/16/88	06/20/88	/ /	06/27/88	07/06/88	07/11/88	/ /	/ /	/ /	
WGU1120	07-19-03068.	GU GUAM	75,000	P PENDING	04/04/88	05/09/88	/ /	06/13/88	06/15/88	/ /	06/15/88	/ /	/ /	/ /	/ /	/ /	
WWA0364	07-19-03071.	WA PORT OF KENNEWICK	600,000	P PENDING	02/08/88	03/28/88	/ /	06/28/88	07/01/88	/ /	06/30/88	07/13/88	07/13/88	/ /	/ /	/ /	
	SSED-I Subtotal		1,375,000		0	0		0	0		1	0	2	1	1	1	4
CFR0004	07-29-00000.	AS U MUNICIPALITY	75,000	P PENDING	05/03/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
	LTED-S Subtotal		75,000		1	0		0	0		0	0	0	0	0	0	1
CCA0644	07-39-00000.	CA MONTEREY CO.	300,000	P PENDING	05/12/88	06/22/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CWA127401	07-39-02713.01	WA TRICO EDD	300,000	A APPROVED	08/20/87	09/08/87	/ /	12/01/87	12/07/87	/ /	12/09/87	12/24/87	12/29/87	01/15/88	01/22/88	02/04/88	
CID016501	07-39-02771.01	ID E. CENTRAL IDAHO PDD	150,000	A APPROVED	01/12/88	02/12/88	/ /	03/02/88	03/04/88	/ /	03/07/88	03/17/88	03/17/88	03/23/99	03/28/88	04/28/88	
CCA003	07-39-02988.	CA MERCED COUNTY	300,000	A APPROVED	02/05/87	04/22/87	/ /	06/02/87	06/04/87	/ /	06/10/87	06/25/87	10/26/87	10/31/87	11/09/87	12/01/87	
CAK0163	07-39-03062.	AK STATE OF ALASKA	350,000	P PENDING	01/13/88	02/23/88	/ /	04/12/88	04/12/88	/ /	04/13/88	04/20/88	04/21/88	06/27/88	07/01/88	/ /	
	LTED-I Subtotal		1,400,000		0	1		0	0		0	0	0	4	4	3	5
REGIONAL TOTALS			2,987,500		1	1		0	0		2	0	2	7	7	5	13

STATUS OF AUTHORIZED APPLICATION PROCESSING
FOR THE OFFICE OF ECONOMIC ADJUSTMENT ASSISTANCE
As of: 07/18/88

AUSTIN REGIONAL OFFICE

LOCATOR NUMBER	PROJECT NUMBER	ST APPLICANT NAME	EDA DOLLARS	STATUS	AUTH DATE	APPLIC. IN REGION	DUE OEA	IN OEA	OUT OF OEA	DUE FARB	TO FARB	APPROVED BY FARB	FORWARD FOR APPR	APPROVED	MAILED	ACCEPTED	TOTALS
NAR0230	08-19-00000.	AR CITY OF WEST MEMPHIS	760,050	P PENDING	04/25/88	05/31/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NAR123400	08-19-00000.	AR E AR PDC, INC-FORREST CY	63,255	P PENDING	03/17/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
NLA1204	08-19-02570.	LA CADDO-BOSSIER PORT COMM	1,000,000	A APPROVED	09/14/87	11/04/87	/ /	11/04/87	11/05/87	/ /	11/18/87	12/07/87	12/09/87	12/28/87	12/31/87	01/21/88	
NTX1434	08-19-02582.	TX CITY OF WACO	2,000,000	A APPROVED	11/24/87	12/14/87	02/23/88	02/26/88	02/29/88	/ /	03/07/88	03/17/88	03/17/88	03/29/88	04/04/88	04/25/88	
NTX143800	08-19-02583.	TX CITY OF CORSICANA	447,300	A APPROVED	12/07/87	12/22/87	02/15/88	02/19/88	02/26/88	/ /	03/02/88	03/14/88	03/15/88	03/18/88	03/22/88	05/03/88	
	SSED-I Subtotal		4,270,605		1	1		0	0		0	0	0	3	3	3	5
CTX0451	08-39-00000.	TX RIO GRANDE VALLEY	600,000	P PENDING	02/01/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CTX0465	08-39-00000.	TX TEXAS DEPT. OF COMMERCE	600,000	P PENDING	05/03/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CTX0441	08-39-00000.00	TX VALLEY ENT. DEV. CORP.	600,000	P PENDING	12/14/87	01/15/88	02/29/88	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	/ /	
CTX1392	08-39-02536.	TX CITY OF BEAUMONT	500,000	A APPROVED	02/09/87	02/26/87	/ /	06/25/87	07/14/87	/ /	07/15/87	08/07/87	10/22/87	10/31/87	11/09/87	12/10/87	
COK0238	08-39-02580.	OK CITY OF MIAMI	500,000	A APPROVED	12/14/87	01/11/88	02/15/88	02/18/88	02/24/88	/ /	03/02/88	03/14/88	03/17/88	03/31/88	04/06/88	04/18/88	
CTX1001	08-39-02592.	TX SOUTH PLAINS ASSO/GOVNTS	500,000	A APPROVED	01/06/88	01/26/88	/ /	03/09/88	03/10/88	/ /	03/16/88	03/23/88	03/24/88	03/30/88	04/04/88	04/12/88	
	LTED-I Subtotal		3,300,000		2	1		0	0		0	0	0	3	3	3	6
REGIONAL TOTALS			7,570,605		3	2		0	0		0	0	0	6	6	6	11

STATUS OF AUTHORIZED APPLICATION PROCESSING
FOR THE OFFICE OF ECONOMIC ADJUSTMENT ASSISTANCE
As of: 07/18/88

*** GRAND TOTALS ***

LOCATOR NUMBER	PROJECT NUMBER	ST APPLICANT NAME	EDA DOLLARS STATUS	AUTH DATE	APPLIC. IN REGION	DUE OEA	IN OEA	OUT OF OEA	DUE FARB	TO FARB	APPROVED BY FARB	FORWARD FOR APPR	APPROVED	MAILED	ACCEPTED	TOTALS
GRAND TOTALS			36,295,780	14	21		0	0		6	3	9	40	40	35	93

Note: Complete List of
FY1987 Approved projects
And FY 1988 Approved
Projects to date, PAGE —.

Mr. **Swindle**. One of the most significant figures is that we do not kill a project that the field is working on unless it gets to us with their recommendation and I say no, and only 5 percent that they send to me have "no" said. The rest of the rejections, they are taking care of them out there, which is where it should be, a screening process. As it comes higher on the pinnacle, there is less and less chance of it being rejected. I think we are doing a good job of that.

Mr. **Clinger**. Thank you, Mr. Chairman.

Mr. **Savage**. Thank you.

Mr. Lewis?

Mr. **Lewis**. Thank you very much, Mr. Chairman.

Mr. Secretary, I'm sure that you are aware of the university center program at Georgia Tech. To say it mildly, the people at Georgia Tech are very disturbed about the way the recent grant award was conducted. When they signed off to accept that grant they also were forced to accept a graduation procedure of which they were not informed and to which they did not agree.

Could you tell this committee why you are attempting to force out a good program, what I consider a great program, the university center program? I just want to pick up where Mr. Oberstar left off.

You being from Georgia, you should be sensitive to the needs of urban and rural Georgia. They have a perception—whether it's a perception or whether it's reality—that you or your office are very difficult to get along with, that there's a lack of sensitivity, very little cooperation. That's what I'm getting from the people throughout Georgia, not just in my district.

Mr. **Swindle**. I would be happy to address two questions that you mentioned, Congressman Lewis, and that is the university center program and that Georgia Tech was not consulted or anything—let me address that first.

I have been discussing—and Art Brown I know personally and consider him a friend, although he may not like me now—I have discussed this university center with him personally on several occasions over the last two years. For them to tell you that they did not know anything about it, if that is what they told you and I assume that is the case, is absolutely erroneous.

Second, Georgia Tech has been on the program longer than almost any other university center that I am aware of. I am particularly attuned to that because that's where I got my education. I love the school dearly. They have been on the program in excess of 20 years; I think it is 22 years. They have received in excess of $2 million from the university center program of EDA. They also receive substantial sums of money from SBA, and I have tried to ascertain just how much money they do receive from the Federal Government and I was stonewalled. I do not remember specifically that Georgia Tech stonewalled me, but I know that the group got together and wouldn't answer my questions.

I believe they receive gratuitous grants in the millions of dollars from the Federal Government. I could be wrong. So they are not suffering from a lack of funding. I might add that Georgia Tech has an excellent reputation as a university center, and I respect——

Mr. Lewis. Is there a need, an unmet need, in Georgia? Particularly in rural south Georgia, not just in Atlanta and——

Mr. Swindle. Are there any unmet needs?

Mr. Lewis. Yes.

Mr. Swindle. Oh, I think in every State of the Union, and I would use this to move to the second issue, that I am not very attuned to Georgia and that I ought to be.

I am the Assistant Secretary for the Economic Development Administration of the United States of America. My home is dear to my heart. My country is dearer to my heart. As a matter of interest, I can tell you that in the State of Georgia this fiscal year I have personally approved, just in public works alone, a grant for Montezuma for $201,000, Jessup for $906,000, Richland—down in Quitman County, I believe?

Mr. Lewis. Yes.

Mr. Swindle [continuing]. Over there near my home, for $600,000, and I do not think they have got 2,000 people in Richland; Fannin County for $490,000; McRae for $402,000, and we're probably working on some more.

So if you say I am not attuned—now, I am really embarrassed because that's five projects, and New York has two, Pennsylvania—I'm sorry about this, Congressman Clinger, you've only got two; Virginia has three; West Virginia, which is probably worse off than the State of Georgia, has two. So I don't think I can be accused of not paying attention to home, but I do not intentionally do projects from home. In fact, I am very sensitive that those projects be very good projects because I do not want to be accused of playing favorites, and I will never play favorites.

So if I may, just to summarize, Georgia Tech has been the beneficiary of the gratuity of EDA in excess of any other university center that I can think of right offhand. There may be one or two others that have received more money from it. Georgia Tech has a fine university center; they do tend to the needs in their programs State-wide. In fact, one of my objectives in implementing the graduation program is that—we have roughly 45 university centers in the country today that are funded by EDA. About 24 of them were to be graduated. We were going to reduce their funding by 20 percent, and with that money saved we were going to start new university centers, especially in the larger States or States that did not have them. And it was the very concept that you have alluded to here, that south Georgia has needs that maybe north Georgia has had taken care of, that I wanted to tend to. I could envision a university center in south Georgia. I could envision a university center in central Florida; they have one at Florida State. I can envision one in the Miami area because you have three distinctly different kinds of people, situations, and economies in the State of Florida; and in Georgia, as you well know, we have two distinctly different kinds of economy. I said, well, with this money we save, without having the Congress appropriate more money, we can go in without any additional expense and start a new university center, say, in south Georgia.

Art Brown, who is an officer in an organization called NAMTAC, and I can not think exactly what the acronym means at this time, was one of the leading opponents of my plan because, number one, they did not want to lose their funding in perpetuity from the Federal Government; and number two, they did not want any competition. So I do not know what their complaint is. I'm a little bit disturbed that they would bring to you such a story because it's not true. And if you know all the facts of the situation, you can see the rationale of what I am trying to do. I am not trying to eliminate the university center at Georgia Tech, and I daresay that if we cut their money off today, that university center would flourish because it is a good one, it has a good reputation, and it has all sorts of money coming into it. As far as my intentions toward the State of Georgia, I think the facts speak for themselves. Georgia is treated as fairly as—and it should never be treated as any more favored than—any other State in this Union.

Mr. LEWIS. Mr. Secretary, I happen to know about Georgia because that's where I live, and I know the people in Georgia.

Mr. SWINDLE. Yes, sir. I know. Let me say that you are talking to a Georgian, too.

Mr. LEWIS. Let me just ask you one other question. Could you state for the record the Leroy Anderson episode? Could you, for the record, tell us and tell this committee—I know the members of my delegation are very concerned and have expressed some concern to you.

Mr. SWINDLE. I think the matter is taken care of. Mr. Anderson resigned rather than take orders which he is, by contract, eligible to be transferred from one job to another. We were trying to open up an EDR position in Iowa, which is a heavily rural State which has gone through economic pains beyond, perhaps, what Georgia has gone through in years prior to that, and he was very familiar with rural America and rural environments and rural economic problems, especially as they relate to farming. We had a very bad situation in Iowa. I chose to transfer him out there totally in accordance with the Civil Service requirements that he signed on to that I am to abide by, and he refused to accept those orders and retired.

Mr. LEWIS. How did this situation develop? Did it impact on the quality of the programs and——

Mr. SWINDLE. It related to the quality of the programs. We had a very difficult time. We do not have an EDR in Iowa; he would have been of great benefit to the State of Iowa. We can handle Georgia because Atlanta is where the regional office is and I have 40 or more people there, and even if we did not fill that position, we probably could have handled it on a part-time basis using some of the professional staff there.

We have since hired—and very quickly, after Mr. Anderson retired—we hired a young lady with whom I happen to be familiar because she worked with Farmers Home. She received one of the applications, as did many other people. We had about eight or nine applicants, as I recall, for the job. I think it was eight. She was selected and she's doing a fine job. I do not think Georgia has suffered in the slightest from Mr. Anderson's departure.

Mr. LEWIS. Thank you.

Thank you, Mr. Chairman.

Mr. SAVAGE. Mrs. Johnson?

Mrs. JOHNSON. Thank you very much, Mr. Chairman.

Welcome, Mr. Swindle. I appreciate the leadership that you have provided to a program that I think is very important. It's small but it is a very important resource that has meant a great deal in many small communities and small States.

But I do want to pursue the issue of the university centers a little bit because it seems to me that a lot of EDA's vision predated a lot of State involvement in economic development, and I think as we are doing in some other aspects of the Commerce Department's work out there in the regions, we have to begin to make certain that our programs and our mandates respond to fill those gaps where State policy is not active. And certainly, in many of the States now very sophisticated Departments of Economic Development have sprung up that are capable of doing an enormous amount of development and management, and in fact it's less confusing to the public to deal with agencies if the lines between them are clear. I know that because of the budget cuts in the Economic Development Administration several years ago, the regional office and our State Department of Economic Development sort of sat down together and said, "What can we do better, even though you have less money?"

And by being very clear about who was doing what and how our resources were being used we actually improved our delivery of service. This is going on very much now in the area of export support services. We are doing some new things that we need to be doing, but the States are out there doing a lot of things, and it's terribly important.

I think this business of university centers being phased out and the imperative being put on communities is very important because too often I've seen those services simply ride side by side when they could easily have been dove-tailed and the support provided with an overall economy to the taxpayer and freeing our resources for some other things.

I think some of the smaller universities desperately need the opportunity to develop as economic development centers because it changes the mindset. It not only changes the mindset of the academics, but it helps small businessmen to take a broader view and a more comprehensive view. Generally in my experience, particularly in my small towns, it has affected the work of planning and zoning commissions and that kind of thing.

I know that my big universities have benefitted from these things, but it's time that we devolve these things down to some of the State colleges rather than State universities, and that we begin looking more broadly.

So I wish you well and will support you in your effort to make changes in the university centers program, but I was very interested in your comment in your testimony, toward the end of that section on page 13, where you say that "In addition to permitting the agency to fund a number of new development districts, the approach would help to assure that aid awarded under the State and urban program supports more meaningful economic development, planning, and implementation activities."

What do you mean by that? How do you foresee being able to better utilize the State and urban program?

Mr. SWINDLE. As you just mentioned, not to be redundant here, this is the State and urban planning grants. We took a budget cut, as mandated by Congress, in various titles of our program. The Title III portion of it is the planning grants. We have district planning grants which are typically a district of a number of counties or small communities which get grants, and then apart from that we had State and urban planning grants.

The Congress did not tell us to cut State and urban, or tell us to cut the districts. They just said, cut that conglomerate.

Rural communities and rural areas simply do not have the sophistication and the resources, oftentimes, to have people who are experts in the profession of economic development. I felt it more important that if we had to take a cut, that we take it out of the urban and State planning grants where, as an example, I believe it's $50,000 we give to Los Angeles, which probably is not a heartbeat worth of spending, but $50,000 to my home town of Albany, Georgia is a lot of money.

So I felt that the States and the large urban areas could better afford to absorb the cuts. What I had opted for was to maintain the funding for the districts at the level that they were in 1987, and absorb the cuts out of the State and urban side of that title.

What we have said here is, we are going to let the State and urban units compete and submit to us special efforts in economic development, and we will look at them and try to award grants of a larger size than they probably would have gotten to do something very specific that we think will have a very significant impact. But all of them will not get the funding that they have gotten in the past.

Does that answer the question? I have opted to take care of the little guys, knowing that the big guys probably had the resources that they could overcome the loss better than the small communities could.

Mrs. JOHNSON. Well, thank you. That's helpful.

In this business of earmarked funds, you've provided us with some interesting figures although I don't quite understand how they relate. On the front page of your testimony you say, "of which $9.5 million was for specific Congressional add-ons." On page 16 you say that $187 million was earmarked. I may not have picked up the change in fiscal years——

Mr. SWINDLE. The second page? I'm sorry?

Mrs. JOHNSON. Page 16.

Mr. SWINDLE. Page 16.

Mrs. JOHNSON. I may have changed the fiscal year in my mind—oh, since 1984, okay. My mistake.

Mr. SWINDLE. That is an accumulation of all the add-ons over the years.

Mrs. JOHNSON. And on these earmarked projects, not only am I interested in the proportion of dollars and the proportion of projects, but is there any information you can give us that would lead us to be able to evaluate them in terms of their impact on employment? For instance, what is the average level of unemployment in the areas of the earmarked projects versus the average level of unemployment in the areas of the unearmarked projects? What was the job creation impact which, whether you like it or not—and I tend to agree with you that these figures aren't very reliable, but nonetheless we use them because they are what the program is all about—do you have any figures that show what the job impact of the earmarked projects is versus a comparable dollar number of other projects?

Mr. SWINDLE. I would be happy to provide that which we have. Oftentimes the earmarked projects—the applicant or the proposed applicant does not know anything about the money coming their way and has not submitted an application, so we oftentimes do not have that data available. One that I will specifically mention at the risk of severe jeopardy is $2.5 million for Bridgeport Community College——

Mrs. JOHNSON. Not in my district, Mr. Secretary. [Laughter.]

But I can tell you, I'd be willing for Bridgeport to compete on its own——

Mr. SWINDLE. On its own merits.

Mrs. JOHNSON. Yes, because Bridgeport is a very deprived and difficult area with a high level of people on welfare, one of the poorest cities in the Nation.

Mr. SWINDLE. I do not know the statistics, but I do know the statistics for the State of Connecticut, which are very low. And I would be happy to let anyone compete, but this is beyond competition. This is dictated.

Mrs. JOHNSON. Right, and I am not defending it. I am opposed to earmarking.

Mr. SWINDLE. I realize that.

Mrs. JOHNSON. I think we have to look at that, and I don't care whether it's in my back yard or someone else's back yard. And in the case of Bridgeport, I would be perfectly comfortable—as I am comfortable of my own little city of New Britain—competing because, for instance, Bridgeport is the home of Bridgeport Machine Tools, and you know what's happened to machine tools, and Bridgeport Brass. I mean, that's been a city that's seen all the human agony that America has suffered in all of its parts as the result of structural adjustments in the last 20 years.

But I agree, it ought to compete on the basis of merit and on the basis of impact. I don't think that any nation—and I've worked hard and some of us on this committee have worked hard to try to look at things from a point of view of very local statistics, not on the basis of State-wide employment or State-wide per capita income. In Connecticut, for instance, with the Gold Coast down there near New York City, we always come off looking very high in per capita income. We have just as serious pockets of poverty problems in whole areas of our State as any State, and I'm sure that my colleague Sam Gejdenson would agree with me on that. He represents many of the most difficult and depressed rural areas of New England.

So it doesn't bother me in the slightest that Bridgeport is in there as an earmarked thing. I don't think that makes it right, and I think this committee needs as much information as you can give us. I think we need to pursue this in other areas of the budget because I just do not think that as fiscal constraints continue to press upon us, as they unquestionably will, that we can justify—and I think that when the public found out about the funding of the refugee program in France, we got a clear indication about how they feel about those things; and if they knew about the stockyard project in Fort Worth I think their reaction would be just as strong.

Mr. **Swindle**. Those things have a way of getting out.

Mrs. **Johnson**. That's right.

So I think it really is in our interests, not only from the point of view of equity but from the point of view in which the Congress is or is not held and the Government is or is not held in the hearts of the citizenry, it really is important. A number of us have fought this battle on competitive research grants. As you probably are aware, we designated a university to be a research center; that's absolutely absurd to have Members of Congress decide whether it should be a university in New York or another university in America.

So I really oppose this kind of thing strongly, and any information you can provide us with I think would be useful and it is the responsibility of this committee to examine it.

Mr. **Swindle**. Well, I deeply appreciate your thoughts, and I think you would find that I am in almost total agreement with you on that. That is what I try to invoke, this concept of putting the money, if it has to be spent, where it is most needed. That is not a difficult thing to determine, relatively speaking. We can certainly make a delineation between 12 percent unemployment and 3 percent unemployment, which is typically what we find ourselves having to confront with these add-ons, that kind of a disparity. We are doing our best to do that.

I certainly can provide you with some statistics.

[The following was received from Mr. Swindle:]

MANDATED PROJECTS

Applicant	EDA$	Unemployment Rate	Job Creation	
			Near Term	Long Term
Bridgeport	2.5M	6.8%	-	-
Worcester	1.0M	3.9%	180	600

EDA FY 87 PROJECTS

Applicant	EDA$	Unemployment Rate	Job Creation	
			Near Term	Long Term
DuBois, PA	1.0M	10.3%	435	259
Hamilton, NJ	1.0M	7.5%	956	956
Summersville, WV	1.0M	18.2%	579	640
Cadiz, KY	1.3M	10.7%	229	-
Trenton, GA	1.1M	6.8%	232	-
Marianna, FL	1.6M	8.0%	311	-
Duluth, MN	1.6M	11.6%	252	700
Minneapolis, MN	1.0M	10-20%	93	100
Kiamichi, OK	1.0M	8.5%	100	2,500
Center, TX	1.8M	9.2%	250	-
Idabel, OK	1.0M	11.0%	262	200
Wallowa Lake, OR	1.6M	12.4%	100	300
Lynwood, CA	1.0M	15.9%	100	-
Bakersfield, CA	1.5M	11.8%	196	1,000

Job Creation Impact - Mississippi Institute for Technology Development

Including the $3 million in FY 1988 funds mandated by Congress, EDA's contribution to the Mississippi Institute for Technology Development (ITD) over the past few years is $20 million. Within the past year, DOD has provided another $11.8 million, and the Department of Agriculture has furnished $500,000. Based on a 1987 study by Kearney-Centaur Corporation, it is estimated that these Federal expenditures have produced approximately 840 direct, indirect, and induced jobs (some of which would have occurred in the absence of ITD).

Of the 840 jobs, only 25 percent are direct (i.e., can be specifically identified and were not estimated based on a multiplier), and of the 25 percent, the overwhelming majority are in ITD itself. This is not what was expected by ITD founders or other parties when the concept was originated. At that time, it was expected that the bulk of the jobs created would be in existing or new private firms taking advantage of the new technology ITD would provide them.

The Federal cost per direct job associated with ITD is currently $150,000. Even considering all jobs and only EDA dollars results in a cost per direct job figure of just over $95,000. These figures compare to a direct cost per job figure of between $4,000 and $6,400 for EDA public works projects that have been completed between five and seven years. Thus, the comparison of how many direct jobs were generated by Federal expenditures for Mississippi ITD versus how many might have been created if the funds had been used for EDA public works projects shows:

- Mississippi ITD: 210 direct jobs
- EDA public works projects: 3,100 to 5,000 direct jobs using EDA funds alone. If the DOD and Agriculture monies had been used for such public works expenditures, another 1,900 to 3,000 jobs might have resulted.

While the ITD cost per job may drop over time, it seems unlikely in the next five years to remotely approach the EDA public works cost per job figure. Moreover, if operating funds are not made available from the State in the future, more than half of the existing direct jobs will be lost.

Job Creation Impact - Oklahoma State University

The Center for International Trade (CITD) at Oklahoma State University received $250,000 from EDA in FY 1987 to initiate operations, and Congress has mandated another $250,000 for FY 1988. Since CITD has been in operation for less than a year, actual job impacts are not available. Moreover, EDA does not have reliable job creation figures for university centers, and thus cannot provide specific estimates for jobs likely to be generated or saved as a result of CITD. With regard to whether CITD (which receives more than twice as much funding as other EDA-funded centers) is likely to be more or less successful than such centers in generating jobs and income cannot be predicted. It should be noted, however, that its initial focus is on established firms,* which clearly have the ability to pay for the services provided in the absence of a publicly subsidized program. Its program also includes a labor-force training component, which is not directly linked to generating or saving jobs.

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*Manufacturers or agricultural firms with 25 or more employees; sales of more than $1.5 million, a minimum of two years profitable domestic operations, and a willingness to commit financial and personnel resources to exporting.

ECONOMIC DEVELOPMENT ADMINISTRATION
FY 1984 - FY 1987

CONGRESSIONAL ADD-ONS
(Dollar amounts in thousands)

FY 1984

	Amount	Sponsor	Project Site Unemployment
Institute of Technology Development in Mississippi	$7,000	Stennis	11.0%
Boston University	19,000	O'Neill Kennedy	7.7%
subtotal, FY 1984...............	26,000		

FY 1985

	Amount	Sponsor	Project Site Unemployment
Thayer School of Engineering Dartmouth College	15,000	Rudman	3.0%
Columbia, SC Railroad Railraod Tracks	5,730	Hollings	3.8%
Oregon Health Science University Hospital	10,000	Hatfield	8.5%
subtotal, FY 1985...............	30,730		

FY 1986

	Amount	Sponsor	Project Site Unemployment
Lexington County, SC (Foreign Owned Fiber Optics)	3,828	Hollings	3.7%
Fort Worth Stockyards	4,306	Wright	7.4%
Institute of Technology Development in Mississippi	6,000	Stennis	11.0%
Reappropriation of Local Public Works funding which expired at the end of FY 1977	16,891	NY and NYC delegation	
subtotal, FY 1986...............	31,025		

(Dollar amounts in thousands)

FY 1987

	Amount	Sponsor	Project Site Unemployment
Portland Museum of Science and Industry	$1,000	Hatfield	8.5%
Sumter County, Alabama Road Improvements adjacent to Mississippi	1,000	Stennis	17.2%
Fort Worth Stockyards	7,500	Wright	7.4%
Institute of Technology Development in Mississippi	4,000	Stennis	11.0%
Oklahoma State University	250	Watkins	
subtotal, FY 1987...............	13,750		
Total, Congressional Add-ons..	101,505		

FY 1988

	Amount	Sponsor	
Institute for Technology Development for Mississippi	$3,000,000	Stennis	7.6%
University of Bridgeport Connecticut Technology Institute	$2,500,000	Weicker	3.9%
Worchester Business Development Corp. Biotechnology Research Park	$1,000,000	Early	3.6%
Center for International Trade Development, Oklahoma State U.	$ 250,000	Watkins	5.0%

Mr. **Swindle**. As I was saying when you were talking to counsel briefly there, we may have a little difficulty coming up with some of the figures that you have asked for for those add-ons because in some cases the people who would be the recipients of the dollars did not know they were going to be the recipients of it, or had made no application. In fact, in the case of Bridgeport we have not received an application—we've not even been talked to about it. I don't mean to harp on that, but——

Mrs. **Johnson**. Just identify that amount of money. I think that's also important for us to know.

Mr. **Swindle**. I certainly will. We will be glad to provide that. Thank you very much.

Mr. **Savage**. Thank you.

Mr. Applegate?

Mr. **Applegate**. I have no questions, Mr. Chairman.

Mr. **Savage**. I guess that's about everyone.

Let me, Mr. Swindle, ask a few more questions before we have to wrap up this session.

Mr. Swindle, on page 5 of your testimony today you state that "outstanding loans are valued at $580 million"——

Mr. **Swindle**. Yes, sir. That is the outstanding principal.

Mr. **Savage**. Right, with $385.8 million or 67 percent in default.

Mr. **Swindle**. Yes, sir.

Mr. **Savage**. Two years ago you stated that the loan portfolio was $785.7 million with 45 percent default.

Mr. **Swindle**. Yes, sir.

Mr. **Savage**. Well, isn't it true then that a reduction in the size of the loan portfolio means that outstanding loans are being paid off? And that the percentage of defaulted or delinquent loans would, in this kind of formulation, reach 100 percent? I mean, all the good loans are fully paid.

Mr. **Swindle**. Yes, sir. And, Mr. Chairman, I made that very statement in my hearing last year. I pointed that out; I said, this is a natural mathematical progression, that as we have loans paid off, the bad ones are never going to go away. They are going to be there, and we will have less of a universe. I made that statement myself.

Mr. **Savage**. But in putting it that way, doesn't that tend to negatively distort the true picture?

Mr. **Swindle**. Oh, no, sir. The $385 million in defaulted loans is still $385 million in defaulted loans.

Mr. **Savage**. No, no. I have reference to the matter of showing the increasing percentage of defaults as loans are actually being taken off.

Mr. **Swindle**. Well, the intent is not to distort anything. It is a snapshot picture of what our situation is.

Mr. **Savage**. But you can recognize that some people, in a cursory reading of this, would get the impression that we are becoming worse off in terms of percentage of defaults when it's put this way?

Mr. **Swindle**. Well, the Chair seems to be concerned about what others might perceive. I am merely presenting the data that I was asked to present and trying to give you a snapshot picture of where we are. We can always go back and research and come up with the loans paid off, but at the same time we also ought to come up with the loans we wrote off. I suspect they will cancel each other out. It is a pretty dismal record.

Mr. **Savage**. It's not as dismal as it would appear, depending on how the same set of facts is presented. That's what I'm raising.

Mr. **Swindle**. I do not know that that is necessarily a correct assessment. I would think that it is a pretty dismal picture all the way around, just from the little bit of knowledge that I have about the past performance. There have been a lot of loans paid off in full and there have been a lot of loans written off.

Mr. **Savage**. Let me give you another example regarding some past loans. You have also stated that $230 million of the total $385.8 million in default is attributed to defaulted or acquired steel guarantees.

Mr. **Swindle**. Yes, sir.

Mr. **Savage**. Well, may I further point out that the Steel Loan Program was initiated by the Executive Branch in search of a solution to certain pressing and serious problems in the steel industry. And furthermore, without the $230 million in defaulted steel loan guarantees, the $385.8 million would be reduced to $155.8 million, or a mere 27 percent in default.

Mr. **Swindle**. Yes, sir. I accept that, and I pointed that very thing out last year in testimony.

See, I am not trying to hide anything. I am merely showing a comparison, so do not think I am trying to hide anything. These are facts; if I had meant to hide it, I would not have included the statement that $230 million of the default is in one program alone.

Mr. **Savage**. No, Mr. Swindle, I don't suggest you are trying to hide what probably would be difficult to hide. That's not what I'm suggesting. I'm just raising a question as to how a case is presented. You can present a case in several different ways based upon the same set of facts, and I'm just wondering whether unintentionally you are presenting this case in such a way as to bolster the President's request that EDA has such little value.

Mr. **Swindle**. The President, Mr. Chairman, did not call me and ask me to do anything, and it never entered my mind to try to do it to serve that purpose. In all honesty, it is merely a statement of the facts. As I said, I think I have pretty adequately presented both sides of the picture, and I have said publicly numerous times, to the committee and in press interviews, that the Steel Loan Program has distorted what probably could have been a decent program had it been allowed to be managed properly.

But I would contend or submit that a 27 percent default rate is nothing to be proud of. That is gross. To me it is an indication that the Federal Government, for a wide variety of reasons, does not do a very good job of interjecting itself in financial markets.

Mr. **Savage**. Let me go on to a similar kind of presentation, one that leads to a question and answer to me. On page 2 of your statement having to do with obligated and unobligated funds for fiscal year 1988 you indicate that of the $182 million in grant funds, $72.9 million in the discretionary grant funds has been obligated. But what I would like to ask, and I don't see answers here, is what about the $150 million in loan guarantee authority?

Mr. **Swindle**. We have obligated none. We have not approved any guaranteed loans. We are looking at a number of them.

These are very complex matters to consider, Mr. Chairman. We are looking at one that is $25 million, and we look very carefully at that because again, the performances have not been all that good. And no matter how well we review them and analyze them, there have been four or five approved since I have been here—in fact, they were approved the first month I was here. They were prepared, and on my desk when I took office—all four or five of them have gone into default or bankruptcy.

Mr. SAVAGE. Pardon me, but in the past two years you have obligated none of the loan guarantee funds?

Mr. SWINDLE. That is correct. We have not had many people approach us, and those who approached us did not have a bankable loan. So we are not going to make them and lose more money. We are going to make a rational financial decision. I am not going to be a party to just doing it because the money is there. That is how we got into trouble.

Mr. SAVAGE. No, but isn't the intent that if a loan can be secured through a bank without a guarantee. So that means that it's a very bankable loan? Then, of course, we wouldn't need to authorize this loan guarantee. So the very fact that we authorized the loan guarantee would indicate, wouldn't it, that Congress recognizes that there is a problem wherein, when a loan may not be granted by a bank without a Government guarantee, yet despite that—and this of course implies a greater risk—we feel that particular projects may deserve loan guarantees to get off the ground because of the overall positive economic impact on the area that's depressed?

Mr. SWINDLE. First, recognizing that the programs are designed to help depressed areas—I will start from there. The loan application is submitted to me by a bank saying, "We can make this and it will do all these good things if you'll guarantee it." We then analyze—I accept the fact that it could do some good, but my first priority and my first responsibility is to not make a loan guarantee that I will lose money on. I am not going to enter into a loan guarantee agreement on a loan I do not believe can succeed. I do not believe the Congress has told us to do that, now.

Mr. SAVAGE. Wait, wait. If a loan is sufficiently bankable it doesn't require a Government guarantee.

Mr. SWINDLE. I would assume that is correct, yes, sir.

Mr. SAVAGE. So by providing you with guarantee authority, isn't it true that it means that we want you to go beyond. We don't want you to be a bank and to judge it as a bank would judge it, but to encourage the bank through the guarantee process to approve what it perhaps would not approve because of the positive economic impact on the total community?

Mr. SWINDLE. I do not think it is clear in the manner in which you said that. There is a range—if we had a vertical column here and this part is the bankable loans, they do not need any guarantees. But here are those who need a guarantee if they are going to be made. Now, there are some right up here that are almost bankable. As they go down, they become less and less good loans. If you bring me one up here, we will seriously consider it and very likely will approve it. But if they are down here, I do not think there's anyone in the Congress—I do not think there is a Congressman alive who will tell me that they mean for the Government to go out and take a million-dollar loss. I do not believe that.

Mr. SAVAGE. No, I'm questioning that middle part.

Mr. SWINDLE. Yes, sir. When they come in, Mr. Chairman, we will guarantee those loans.

Mr. SAVAGE. In that middle part, the factor to be considered is not how close they come to the top of that range, but it's the amount of positive impact on the community. Is that not right?

Mr. SWINDLE. We still—if I may read—excerpts from Title III, the Trade Act of 1974, and it goes on to talk about PWEDA of 1965. Out of paragraph 202, subparagraph (6): "No evidence of indebtedness shall be purchased and no loans shall be made and guaranteed unless it is determined that there is reasonable assurance of repayment." That is a pretty clear mandate not to go out and do something just because if we built the plant we could hire some people, but a year later they would all be out of jobs.

Mr. SAVAGE. No, no. What I'm getting at—when they use the term "reasonable," it cannot be interpreted to mean the same with regard to EDA as it would to a banker; otherwise, you would not need a guarantee program.

In the middle section that you described, unless you have narrowed it greatly, I have difficulty imagining that there were no applications that would be favorably considered over the past two years.

Mr. SWINDLE. Well, sir, that is absolutely a fact. And we are the ones who are paid to make the analysis and have to have the accountability for our actions, and I am very serious about accountability. I do not want my staff coming up, bringing some loan that should not be guaranteed, for my signature. I am very serious about that. I have been working in these loan programs of the Federal Government now for seven years. I have presided over the loss of literally tens of millions of dollars made under the loan guarantee programs, and I just cannot in good conscience be a party to that. And I do not think that anyone in Congress is going to direct me to do something that is illogical. And I do not think the intent of the PWEDA act, based on this, said anything about acting different from a bank. We are loan officers. We do recognize that we deal with a quality of loan that is less than at the bank for the very reason that the Chairman said. If it was a good bankable loan, they would not need us. But there is a range in there. We try to make sure, as sure as we possibly can, that we will be repaid. We have an obligation, a legal obligation, to do that.

Mr. SAVAGE. But not to the extent that it would amount to an embargo.

Mr. SWINDLE. Mr. Chairman, if you know of any loans that have been run up the flagpole at EDA that should have been made, if you will bring them to my attention I will personally look at them and give you my assessment of them.

Mr. SAVAGE. I'd rather you turned that around, since that's more within the purview of your responsibility, to bring to us.

Let's not pursue this any further.

Any other questions? Mr. Clinger?

Mr. CLINGER. Thank you, Mr. Chairman.

I think this is ultimately a subjective kind of determination.

Mr. **Swindle**. It always will be, and the person accountable has to make that determination. I think we do a good job of it.

Mr. **Clinger**. Wasn't there a difference in the criteria for a Trade Adjustment Assistance loan as compared with what would be a loan guarantee under EDA? I mean, the "reasonable assurance of repayment" which is clearly a part of PWEDA legislation, was that also included in TAA because the incidence of bad loans and loan guarantees under the TAA was phenomenally high, and I'm wondering if it was assumed that the Federal Government would indeed be the lender of last resort in the TAA situation.

Mr. **Marten**. I would have to look that up, but I do not remember, Congressman Clinger, the specific statements in that long list of requirements that you remember we had in PWEDA.

Mr. **Clinger**. Right.

Mr. **Marten**. That same requirement——

Mr. **Clinger**. Existed in TAA. And because it did not exist, we got in a heck of a lot of trouble with that whole loan portfolio; we, in effect, became the lender of last resort and thus we basically took a bath on most of those loans.

Mr. **Swindle**. I think the concept of lender of last resort should have seen its dying day. I think the Government is doing the wrong thing by that. It loses a lot of money. Secondly, when you do that you find yourself—and I certainly saw it in agriculture and in rural businesses—almost being forced to make a loan to anybody who comes in. And in doing so—these people are not going to pay them back—you are allowing them to compete unfairly with people who are having to get credit at regular lenders at higher interest rates. The concept is flawed. I think performance in the past has proven it to be grossly flawed, and I would hope that the Congress would not really think in those terms.

I think reasonable, decent loans that will show some degree of assurance of repayment—I do not think we should ever place Government loan officials in a position where they are led to believe they are to make almost any loans.

Mr. **Clinger**. But I think the Chairman's point is that it is true that you are expected to make loan guarantees that have a higher risk.

Mr. **Swindle**. A higher risk, yes, sir. And that's accepted, but we can go too far on that.

Mr. **Clinger**. Of course, that's subjective as to how you define "higher risk."

One other program——

Mr. **Marten**. Excuse me, if I may, Congressman Clinger.

Mr. **Clinger**. Yes.

Mr. **Marten**. Unfortunately, I was in error. There is a statement in the PWEDA act——

Mr. **Clinger**. That's the first time that it's ever happened. [Laughter.]

Mr. **Marten**. Well, I'm sorry about that, and I'm ashamed that it took place in a public hearing. [Laughter.]

Mr. **Clinger**. The other item that I wanted to focus on, you stated your opinion that the Government doesn't do very well when we intrude into financial markets and has trouble picking winners and so forth, and that in fact we often pick losers. It seems to me your emphasis on the steel program was one where that was clearly the case.

But I'm wondering how that really happened, because under the steel program, PWEDA has a requirement that anything done or any project approved will not contribute to excess capacity in that particular economic sector. Was there no requirement under the steel program for dealing with an excess capacity finding?

Mr. SWINDLE. That issue came up. In fact, we have prepared a paper that we will be happy to provide to the committee on the history of those steel loans, and that issue was argued by the industry—in particular, Wheeling-Pitt is the one that I remember distinctly—that there was an excess capacity. The industry was saying, "Don't do that." There were people in EDA saying, "That should not be done," but the Assistant Secretary at the time said that this was the best thing since grits and we ought to do it, and the Administration was pushing it, and obviously the special interests of Wheeling-Pitt——

Mr. CLINGER. But somebody had to make a finding that this did not create excess capacity?

Mr. BRENNEN. There were two 702 lawsuits filed over the steel program, one of which was sustained in a loan approved to Phoenix Steel. And then there was one in the Wheeling-Pitt mill that was actually filed that did not prevail.

Mr. CLINGER. That finding was supposed to have been made in that case. Again, the judgment is subjective.

Mr. SWINDLE. It is a tough call. Obviously, everyone is concerned about the human side of things—I wish Mr. Oberstar was here to hear me say that. I am concerned about it. But you do not let emotion drive you to insane actions. You just cannot let that happen, and I think too much of Government lending programs have resulted in just that thing because too often they are driven by emotional—and more commonly, political—interests as opposed to business interests. And we do more damage to the general economic well being of our country and our Government, not to mention the people who are out there competing with these people who are getting loans that should not be getting loans.

Mr. LEWIS. Will the gentleman yield?

Mr. CLINGER. Yes. Go ahead.

Mr. LEWIS. Mr. Swindle, as Assistant Secretary you don't give in to political pressure?

Mr. SWINDLE. No, sir. But I am different. [Laughter.]

Mr. LEWIS. Thank you.

Mr. SWINDLE. I have been through enough wringers in my life and that is a world that I just accept exists. I am as amenable as I can be, but I don't yield, if I think I'm right.

Mr. LEWIS. Thank you.

Thank you, Mr. Chairman.

Mr. SWINDLE. I have been rolled a few times, I might add. [Laughter.]

Mr. LEWIS. We all get rolled from time to time.

Mr. SAVAGE. Mr. Towns?

Mr. TOWNS. If a college were interested in a university center, how would they apply?

Mr. SWINDLE. They would apply through our regional office; in your case, of course, the Philadelphia Regional Office. We have a standard application where they have to present the concept, Congressman, and they would work with our Philadelphia office—New York, right, that is correct—and you would deal with our EDR initially, but the best technicians in this are in the regional office. We would be happy to work with you. The problem we have is, we have a limited budget—and I am not asking for more money, because I have got a way that we can get the funds to start new ones, if I were not being blocked by the Congress in my efforts to pursue the graduation program, because one of the very intents of the graduation program was to make more funds available without additional appropriations to add more university centers. Right now I am stymied because the Congress will not let me graduate people who have been on the program for 15 or 20 years.

Mr. TOWNS. Well, just delayed until 1989.

Mr. SWINDLE. Maybe. I think there is a movement afoot by the special interest groups to make sure I cannot do it then.

In all sincerity, they are looking for funding in perpetuity, until hell freezes over, I think.

Mr. TOWNS. Let me ask you this. Do you have any intention of including black universities?

Mr. SWINDLE. I have a very special effort toward that. In fact, I insisted when I first came that we add a couple of historically Black colleges to our rolls. Unfortunately we had to cut one on this year's program because it just simply was not performing, and we had made several efforts to extend our leniency and see if they would come around. They simply did not come around. But we have had some very good results with other Black schools; in fact, this past year—I think it was in last year's appropriations or the year before—I set aside some money in which, in order to bring the Black universities up to a higher level of achievement in the university center program, I had special training conducted for them to get them more attuned to what the more successful ones do. I think we have made every effort possible to improve that situation and I think it has improved.

Mr. TOWNS. So you do provide technical assistance?

Mr. SWINDLE. Yes, sir. In fact, that is a specific target that I am pursuing.

Mr. TOWNS. Thank you very much.

I have no further questions, Mr. Chairman.

Mr. LEWIS. Will the gentleman from New York yield?

Mr. TOWNS. Sure.

Mr. LEWIS. How many black colleges and universities are involved in the program?

Mr. SWINDLE. Right now, I think it is six. Either five or six.

Mr. LEWIS. Would you provide us with those?

Mr. SWINDLE. Yes, sir. I'd be happy to. We will give you a list of all of them, as a matter of fact. We will provide it.

[The following was received from Mr. Swindle:]

Atlanta University, Atlanta, GA
Benedict College, Columbia, SC
Mississippi Valley St. Univ., Ittabena, MS
Xavier University, New Orleans, LA
Hampton University, Hamption, VA

Mr. **Swindle**. Offhand, it is Benedict in South Carolina; Tuskegee is the one that we had to drop, unfortunately, because we just were not getting the performance; Xavier in New Orleans; Mississippi Valley State; Atlanta University—these have all been on the program three years; Xavier, in New Orleans, five; Mississippi Valley State, two years; Benedict College, four; Hampton here in Virginia, six. I think that is the number, but I will be happy to give you some details on it.

Mr. **Lewis**. Thank you.

Thank you very much, Mr. Chairman

Mr. **Swindle**. And we are looking at another one right now, as a matter of fact, which I really do not want to talk about because we have not finalized it. It would be a little premature, but we are looking at a very fine one that I'm familiar with.

Mr. **Lewis**. Thank you.

Mr. **Savage**. In previous years we have included in the printed record of these hearings considerable detail about the grant programs, and that has been helpful to Members and others interested in EDA. So accordingly, the printed record of today's hearing will include the notice in the Federal Register of January 19th, 1988, attached to your statement. There are several additional items, however, that we would appreciate you later providing for the record. We will submit them to you; of course, there will be further questions that we will also submit.

Let me just point out that with regard to the additional questions and materials that we may request, that in addition to our apparent differences or possible differences over the loan guarantee program, I did not find in your statement enough detail regarding the revolving programs under Title IX or Section 203, as to how many revolving loan grants were made in fiscal year 1987 or to date in fiscal year 1988 with regard to either of those two programs. But for the sake of time—we have a vote pending—we will submit all of those questions to you.

Mr. **Swindle**. We would be happy to break that down. We made 34 revolving loans, but we will provide all that for you.

Mr. **Savage**. Yes, in more detail than just the figure. But if you would like to add anything to the record at this time, feel free to do so.

Mr. **Swindle**. All right, sir.

I have concluded all my remarks, but we will be most happy to provide you as great a breakdown as you like on this program. We have the statistics readily available; it is just a matter of how much statistics you want us to include, and we will certainly provide that.

[Mr. Swindle's prepared statement follows:]

STATEMENT BY THE ASSISTANT SECRETARY OF COMMERCE FOR ECONOMIC DEVELOPMENT BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
WEDNESDAY, MAY 11, 1988

Mr. Chairman and Members of the Subcommittee, thank you for this opportunity to present to you an overview of 1987 and 1988 program operations for the Economic Development Administration (EDA). In addition, I would also like to take this occasion to apprise you of current management and legislative initiatives underway and the positive impact these initiatives will have on the Agency. My Prepared Statement is being presented consistent with the requests contained in your letter of March 24, 1988.

FY 1987 APPROPRIATION AND ACTUAL OBLIGATIONS

For FY 1987, EDA was appropriated $25.0 million in administrative funds, $150.0 million in loan guarantee authority, and $189.9 million in grant funds, of which $9.5 million was for specific Congressional Add-ons. Availability of 1987 grant funds and selection criteria were published in the Federal Register on December 19, 1986. During 1987, we directed our efforts towards assistance in resolving the Nation's economic problems by awarding 91% of the discretionary Public Works grants in counties which had an average unemployment rate in excess of 5.9%. The unweighted average unemployment for each Public Works grant was over 12%.

In 1987, EDA continued my FY 1986 initiative of placing increased emphasis on the economic recovery and development needs of rural areas. In the area of public works, 177 or 84% of the 211 grants awarded went to rural areas; in terms of dollars, this amounted to $94.5 million or 80% of the $117.9 million in discretionary Public Works funding. The average EDA participation rate in projects financed was about 55%, varying from a high in the Austin Region of 67% to a low in the Atlanta Region of 49%. The Economic Adjustment program had 54 projects or 74% of its total of 73 grants going to rural communities. This amounted to $17.7 million or 68% of the $26.0 million total. The following table summarizes the FY 1987 appropriation and obligations by major programs:

(in thousands of dollars)

Account/Program	Appropriation	Obligations No.	Obligations Amount
Salaries and expenses.........	$25,000	N/A	$25,459
Loan Guarantee Authority......	(150,000)	(-0-)	(-0-)
Economic development assistance programs (EDAP)			
Public works................	117,850	211	117,845
Planning assistance.........	24,000	454	23,887
Districts................	(16,000)	(295)	(16,218)
Indians..................	(3,000)	(59)	(2,774)
States...................	(2,000)	(39)	(1,985)
Urban....................	(3,000)	(61)	(2,910)
Technical assistance........	7,000	118	7,149
University Center Program.	(5,000)	(63)	(5,012)
Research and evaluation.....	1,000	17	969
Economic adjustment.........	26,000	73	26,000
Revolving loan fund.......	(13,000)	(34)	(13,091)
Sudden and severe.........	(13,000)	(39)	(12,909)
Demonstration...............	4,593	3	4,592
Total, discretionary....	180,443	876	180,442
Congressional Add-ons.........	9,500	6	25,816

In the cases of "Salaries and expenses" and Congressional Add-ons, obligations exceed the appropriation because of transfers and carryover, respectively.

FY 1988 APPROPRIATION AND CURRENT OBLIGATIONS

For FY 1988, EDA was appropriated $24.7 million in administrative funds, $150.0 million in loan guarantee authority and $182.0 million in grant funds, of which $6.7 million was for specific Congressional Add-ons. To date, we have obligated some $72.9 million in discretionary grant funds and $9.8 million in Congressional Add-ons. The following table summarizes the FY 1988 appropriation and obligations by major programs as of April 30, 1988:

(in thousands of dollars)

Account/Program	Appropriation	Obligations	
		No.	Amount
Salaries and expenses.........	$24,742	N/A	$13,800
Loan Guarantee Authority......	(150,000)	(-0-)	(-0-)
Economic development assistance programs (EDAP)			
Public works................	119,960	71	43,532
Planning assistance.........	22,995	257	13,556
Districts.................	(15,330)	(203)	(11,342)
Indians...................	(2,875)	(36)	(1,708)
States....................	(1,916)	(4)	(149)
Urban.....................	(2,874)	(14)	(357)
Technical assistance........	6,456	26	1,221
University Center Program.	(4,790)	(12)	(915)
Research and evaluation.....	1,210	1	240
Economic adjustment.........	24,657	31	14,360
Revolving loan fund.......	(12,454)	(20)	(7,650)
Sudden and severe.........	(12,203)	(11)	(6,710)
Demonstration...............	...	...	...
Total, discretionary....	175,278	386	72,909
Congressional Add-ons.........	6,750	4	9,760

Availability of 1988 grant funds and selection criteria were published in the Federal Register on January 19, 1988. Selection criteria are basically the same as were published for 1987. A complete copy of the 1988 Federal Register publication is included as Attachment I.

STATUS OF ECONOMIC DEVELOPMENT REPRESENTATIVES (EDR's)

EDA is authorized by law to maintain 49 EDR's. At present, EDR's are located in 43 states and the Commonwealth of Puerto Rico. Seven states (Delaware, Kansas, Nebraska, Nevada, Rhode Island, Vermont and Wyoming) and the District of Columbia do not have resident EDR's. Two states, California and Texas, have three EDR's. To improve the overall quality, timeliness and efficiency of services provided by EDA, five EDR offices were relocated in FY 1987 and one office has been relocated to date in FY 1988. The offices listed below were either vacant or the incumbent transferred at the time of relocation:

FY 1987

	From	To
1)	Hopkinsville, Kentucky	Denver, Colorado
2)	Clarksburg, West Virginia	Des Moines, Iowa
3)	Carson City, Nevada	Helena, Montana
4)	Oakland, California	Napa, California
5)	Philadelphia, Pennsylvania	Lewisburg, Pennsylvania

FY 1988

	From	To
1)	Tallahassee, Florida	Orlando, Florida

Currently, there are two EDR vacancies, one in New York City and one in Lubbock, Texas. These vacant offices are being reviewed at both the headquarter and regional levels to insure that current locations maximize economic development coverage. However, any determination to relocate will not be initiated without Congressional approval.

ECONOMIC DEVELOPMENT REVOLVING FUND

At the end of FY 1987, the Revolving Fund had an unobligated balance of $42.1 million; outstanding loan guarantees were $95.2 million. The ratio of 2:1 for this asset/liability comparison, while somewhat less than has historically been the case, does not in itself present a problem. Outstanding loans were valued at $580.0 million with $385.8 million or 67 percent in default. Of the latter amount, some $230.0 million is attributable to defaulted or acquired steel guarantees. During FY 1988, the responsibility for Trade Adjustment Assistance (TAA) loans and loan guarantees will be transferred from the International Trade Administration to EDA's Revolving Fund. Since TAA reserves were not transferred with the loan guarantee portfolio, the Revolving Fund balance could be further reduced by as much as $16 million. In the event EDA honors the demands on TAA loan guarantees, there is an ever-increasing likelihood that the Agency may have to request an appropriation to cover its traditional demands. Through the first six months of

FY 1988, the liquidity of the Revolving Fund has remained unchanged with collections having been offset by payments of care and protection of collateral and accrued interest payable to the Treasury on the outstanding balance of direct loans.

SALE OF DEFAULTED LOANS AND LOAN GUARANTEES

EDA is hampered in the servicing and administration of its loan programs because of restrictions imposed by Congress in the past several appropriations for the Department. EDA's annually appropriated funds cannot be used to sell to private interests loans made by EDA or guarantees acquired by EDA, except with the consent of the borrower (the McDade Amendment). This limitation restricts EDA's ability to sell loans and acquired guarantees to the private sector, which would maximize recoveries to the Federal Treasury and reduce the Federal Government's involvement in credit markets.

The problem could be solved by repeal of the McDade Amendment. Because borrowers are reluctant to consent to the sale of their loans unless they know the identity of potential purchasers beforehand, this limitation has effectively eliminated the Department's authority to conduct a public sale of its loan portfolio. As a result, the Department has not been able to meet its debt collection goals relating to the public sale of loans.

EDA would like to issue regulations allowing it to sell its loans and guarantees whether or not in default and regardless of amount to be realized. However, this can be done only if the McDade Amendment is repealed. The Department of Commerce's Legislative Program for the Second Session of the 100th Congress contains a proposed legislative repeal of the McDade Amendment.

REDUCTION IN PERSONNEL

Previously, when I appeared before this Subcommittee, I indicated that over the past several years staffing had not been reduced consistent with funding. As a result, in February of 1987 the Agency initiated a Reduction-in-Force geared towards reducing overall staffing and increasing the number of employees located outside Washington. Prior to 1987, over 50 percent of EDA's employees were located in Washington. Having streamlined processing and decentralized decisionmaking, it was obvious that EDA not only needed to reduce staff but also had to correct an inappropriate distribution. The February 1987 staff reduction increased the number of regional employees to over 55 percent of the Agency's total, a complete reversal of the traditional staffing distribution.

Subsequently, I directed the Operations Planning and Analysis staff to conduct an in-depth workload/staffing analysis of all regional operations. While not complete, preliminary findings indicate that a further redistribution of staffing may be warranted. Field staffing now comprises some 60 percent of the 360 authorized positions. In the event Congress continues EDA in FY 1989, the likelihood exists, pending completion and final issuance of the aforementioned workload/staffing analysis, that an even further redistribution of the 360 positions would be justified.

The FY 1988 appropriation also reduced authorized staffing by four percent from 375 to 360. The reduction in authorized staffing was apparently in response to the four percent reduction in grant funds. Although the reduction in staffing is appropriate, I should note that there is not a one-for-one relationship between staffing and grant funding.

DECENTRALIZATION/RE-DELEGATION OF AUTHORITY

Since joining EDA, I have increasingly delegated project processing and decisionmaking authorities to the Agency's Regional Offices. In the case of Public Works projects, for example, the Regional Directors have been given authority to invite project applications from eligible applicants. In the Planning and local Technical Assistance programs, the Regional Directors can invite, process, and approve projects within the limits of their funding allocations. I have also given the Regional Offices responsibility for recurring grants under the

State and Urban Planning Program, which had previously been handled by Headquarters staff. These and other actions represent major increases in the responsibilities and authorities of EDA's Regional Offices.

RURAL/URBAN POLICY

As I have testified on previous occasions, one of my major goals as Assistant Secretary for Economic Development has been to return EDA to its rural roots. This policy reflects my conviction that with limited dollars, the existence of other Federal grant programs for urban areas, and the high levels of distress in many rural communities, EDA can be most effective if it devotes most of its attention to rural areas. This focus has resulted in increasing the proportion of EDA resources to such places, but has not removed the Agency from urban America. In fact, we continue to provide significant amounts of assistance to highly distressed urban areas, particularly in those regions of the country where cities are experiencing substantial economic development problems.

FY 1988 REGIONAL ALLOCATIONS

Regional allocations are not derived from a fixed formula but rather from a number of factors including income and employment patterns in areas that meet EDA's designation criteria. FY 1988 regional allocations are similar to FY 1987 except for some shifts toward the relatively more distressed Chicago and Austin Regions. Regional allocations thus far are as follows:

(in thousands of dollars)

Region	Public Works	Tech. Asst.	RLF	Planning
Philadelphia........	$21,570	$1,057	$2,500	$3,390
Atlanta.............	20,085	1,059	2,890	4,716
Chicago.............	28,004	875	2,890	2,972
Denver..............	9,375	604	750	3,320
Austin..............	22,570	886	1,500	2,776
Seattle.............	18,356	1,178	1,000	3,395
Total..........	119,960	5,659	11,530	20,569

RESIDUAL PROJECT MONITORING

We are continuing to monitor and close out projects funded under the 1976 Local Public Works (LPW) and the 1983/84 Emergency Jobs Act (JOBS) appropriations. We expect all traditional LPW projects to be closed out by the end of FY 1988. Completion and closeout of the JOBS projects may extend well into FY 1989 or FY 1990 since some projects are still under construction.

UNIVERSITY CENTERS

Since its inception, the basic premise of EDA's University Center Program has been that EDA funding was to serve as "seed money" to directly involve universities in the economic development of distressed areas. For many years, that policy was primarily reflected through the reduction of EDA support after a Center had been funded for three to five years. Periodically, consideration was given to "graduating" old Centers and using those funds to start new ones. Had this been implemented, the result would have been a more widespread and diversified approach to addressing local economic distress. For various reasons, including the uncertainty of EDA's future, proposed economic development legislation, and increased University Center funding, implementation of the proposed graduation policy was postponed.

EDA did, however, attempt to increase the benefits of the program and move existing Centers toward increased self-sufficiency. This effort culminated in November 1985 with the issuance of guidelines requiring that within five years Centers were to match EDA funding dollar-for-dollar with at least half their share in cash.

At my direction, EDA management considered again the pros and cons of graduating University Centers as a means of spreading the benefits of the program to other distressed areas and involving additional colleges and universities in economic development. As a result of the re-examination of this policy option, it was concluded that a phased-out graduation process was the most equitable and effective means of implementing the seed money concept. This approach was discussed over a period of months with representatives of University Centers, Members of Congress and their staffs, and other interested parties.

Following these discussions, EDA formally announced in the Federal Register in February 1987 its policy regarding support for University Centers. In addition to establishing a three-year phaseout process for Centers funded prior to FY 1982, the announcement stipulated that Centers funded after FY 1982 would receive support for up to seven years, with reduced funded levels in years six and seven. It also spelled out requirements for gradually increasing levels of local support for Center operations. The phaseout policy was scheduled to go into effect in FY 1988.

As you are aware, language in the FY 1988 Conference Report directed EDA to refrain from implementing this policy until FY 1989. As a result, we have postponed initiation of the phaseout process until the first month of FY 1989. Needless to say, this position will limit our ability to help other colleges and universities become involved in economic development.

PLANNING PROGRAMS

In accordance with EDA's emphasis on helping rural areas, we have recently initiated changes in our planning programs. These modifications are aimed at making more funds available to the

Economic Development District Program and at the same time increasing the effectiveness of EDA aid to states and urban areas. In addition to permitting the Agency to fund a number of new development districts, the approach should help to assure that aid awarded under the State and Urban Program supports more meaningful economic development planning and implementation activities.

Within the next month, we expect to publish a notice in the Federal Register announcing new policy guidelines for the State and Urban Program and inviting proposals for funding. Among the factors expected to influence our funding decisions are the level of distress in the area to be served, the degree of commitment by the chief executive, and the relationship of the proposed activities to the needs of the service area, including its unemployed and underemployed population.

MANAGEMENT AUDIT

One of my first actions as Assistant Secretary was to conduct a comprehensive management audit to identify weaknesses in our program delivery, personnel management and general administration. This audit was very ably performed by a former auditor of the Office of the Inspector General. To a great extent, the significant findings, conclusions and recommendations of that audit have now been implemented or integrated into EDA's goals and objectives. For example, EDA has now:

1) Streamlined processing and eliminated headquarters duplication of regional office work.

2) Decentralized decisionmaking within the application processing processing cycle to include final decision (approval) on all local technical assistance projects and recurring planning and University Center grants.

3) Implemented a "pipeline" concept whereby a continuous flow of quality grant invitations and applications is being considered by EDA throughout the year. The effect of this has been dramatic in rates of obligation as the fiscal year progresses.

4) Clarified standard grant invitation language so as to eliminate the historical perception that an invitation to submit a formal application was tantamount to approval.

5) Increased the government's investment protection through liens, loan guarantee denials, audits, loan servicing and investigations.

6) Established an ADP steering committee with the goal of developing a national management information network. One very positive result is an electronic communications network that ties EDA managers together within headquarters and between the field and headquarters.

7) Enhanced the employee performance appraisal system resulting in greater reward to those performing at higher levels.

8) Contracted for an independent audit of EDA's accounting system. This audit, when completed, will enable us to resolve financial deficiencies that have existed since the LPW era over 10 years ago.

SPECIAL PROJECTS

Mr. Chairman, these are just a few of the management issues that I've addressed so far at EDA. Because of these and other initiatives, today EDA can more effectively and efficiently carry out its mandate to assist economically distressed areas, and we can do it with fewer personnel. While obstacles remain, none presents a greater problem than having to devote limited resources, both staff and dollars, to "special" projects mandated by Congress. Most of these special projects could not have successfully competed under the criteria set forth in the Public

Works and Economic Development Act of 1965, the basic organic Act of this Agency. Since 1984, EDA's appropriation has contained 23 "special" projects with a total value of $108.7 million. Monies set aside for these 23 projects could have funded 180 average ($600,000) Public Works projects. While these projects likely did create some jobs, their impact is far less than might have been the case under normal, competitive procedures. More importantly is the fact that these monies would have been directed towards areas with the greatest economic distress, and thus been more likely to benefit the unemployed.

In addition to management issues, EDA has also formulated numerous legislative proposals.

FORGIVENESS OF DEBTS

Several measures have been enacted by the Congress which forgive debts owed to EDA, or which waive the requirements of EDA agreements with grant recipients. After these entities have accepted funds from EDA, they have failed to perform their obligations. Legislation which limits EDA's ability to respond to such defaults by recipients of Federal assistance unfairly discriminates in favor of those who do not perform their agreements, and in some cases, makes them eligible for additional assistance. As a result of these Congressional instructions, the Government has been forced to expend substantial sums in a manner inconsistent with the statute which EDA is charged with administering. We have, however, been advised informally that the only way to bring about a change is by requesting amendments to the parliamentary rules of the authorizing committees of both Houses of Congress.

EDA is in the process of having the Office of General Counsel submit a letter to the appropriate Congressional authorizing committees urging that parliamentary rules be amended to discontinue funding for particular projects and to stop the forgiving of debt/grant violations.

CARE AND PRESERVATION/LIEN

Over the past several years, a significant number of EDA grant recipients, in violation of the terms of their grants, have leased or sold facilities acquired, built or improved with grant funds, or have lost ownership of the facilities through foreclosure for failure to pay their debts. EDA has not been able to adequately recoup its grant funds, or to undertake liquidation, foreclosure or other necessary actions to protect its interests in properties acquired, built or improved with EDA funds.

In the past, EDA attempted with little or no success to protect its interests by: (1) using grant conditions; and (2) recording covenants, which did not give EDA an interest in the property funded by EDA. Neither solution was adequate to discourage grant recipients from misusing facilities paid for with Federal dollars.

EDA's authorizing legislation and regulations provide for EDA to acquire liens on property purchased or improved with EDA loans or loan guarantees, but not for property purchased or improved with grant funds. Further, EDA lacks the authority to expend or advance funds for protective bids or pay-offs, or to protect and care for such EDA-financed properties. Regulations have been drafted which would enable EDA to protect its interests by acquiring liens on property purchased or improved with EDA grant funds. Publication of the proposed rule is being deferred pending completion of a revision to OMB Circular A-102, and implementation of the revised Circular through issuance of Government-wide regulations. Thereafter, it will be possible to assess whether a supplementary EDA rule will be needed.

Once EDA has acquired appropriate ownership rights in property, a statutory amendment would be needed to enable EDA to expend funds to protect and care for such property, including liquidation, litigation or any other necessary action. This action is contingent upon legislation being enacted which authorizes EDA to expend funds and take other actions to protect its ownership rights in property purchased or improved with EDA grant funds. The Department of Commerce's Legislative Program for the Second Session of the 100th Congress includes the submission of appropriate legislation to the Congress.

HAZARDOUS SUBSTANCES

EDA has consistently faced problems with environmental cleanup at sites where EDA loans are being liquidated. The cleanup can be extremely costly and protracted, and eventally reduces the overall recovery to the Government. There is a related problem in that EDA has been frustrated in its attempts to hold borrowers and guaranteed lenders accountable for environmental problems they created or knew about.

EDA wishes to clarify its procedures and requirements to assure that any liability for an existing or potential on-site hazardous substance is the responsibility of the parties benefiting from EDA's guaranteed loans. EDA wants to change its requirements to enable it to deny payment to a guaranteed lender which fails to uncover actual or potential environmental problems at the time of application to EDA. Also, EDA would include provisions that would subject applicants and borrowers to fraud charges if they fail to disclose environmental problems to EDA. EDA's draft proposed rules are currently being reviewed by the Department of Justice, Environmental Defense Section.

DE-DESIGNATION OF AREAS

EDA is considering a proposal to permit the de-designation of areas which no longer meet the criteria for eligibility under PWEDA. De-designation, originally required by §402 of PWEDA, was first prohibited by P. L. 91-307 (1970) and continued in all subsequent EDA appropriations bills. If de-designation is permitted, approximately 400 economically healthy areas will no longer be eligible for EDA financial assistance.

CONCLUSION

Mr. Chairman, that concludes my Prepared Statement. I have with me today:

S. M. McGeehan, Jr., Deputy Assistant Secretary for Economic Development

James L. Perry, Deputy Assistant Secretary for Grant Programs

Steven R. Brennan, Deputy Assistant Secretary for Loan Programs

Joseph Levine, Chief Counsel

Vince Goodman, Budget Officer

My staff and I would be happy to answer any questions the Subcommittee may have at this time.

federal register

Tuesday
January 19, 1988

Part II

Department of Commerce

Economic Development Administration

Economic Development Assistance Programs; Availability of Funds; Notice

DEPARTMENT OF COMMERCE

Economic Development Administration

[Docket No. 71275-7275]

Economic Development Assistance Programs; Availability of Funds

AGENCY: Economic Development Administration (EDA), Commerce.

ACTION: Notice.

SUMMARY: In the matter of economic development assistance programs as described in Conference Report 100-498, Departments of Commerce, Justice, and State, the Judiciary, and related agencies appropriations, 1988; availability of funds.

The Economic Development Administration (EDA) announces its policies and application procedures for funds available in FY 1988 to support projects designed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions of the Nation and to address dislocations resulting from sudden, major job losses. The purpose of this announcement is to communicate to potential applicants for EDA funds the policies and procedures that will be used to administer the Agency's programs during FY 1988.

I. General Policies

Because of the existing statutory criteria and a Congressional prohibition against terminating eligibility, areas containing approximately 90 percent of the U.S. population are eligible for EDA assistance, which in FY 1987 totaled less than $200 million. Priority consideration for funding will be given only to those projects having exceptional potential to benefit areas experiencing or threatened with the most severe economic distress. EDA is particularly interested in projects located in areas recognized by state and local governments as enterprise zones, especially projects in rural enterprise zones.

Distress may exist in a variety of forms, including exceptionally high unemployment rates, extremely low income levels, abnormally large concentrations of low income families, particularly low labor force participation rates, unusually large numbers (or high rates) of business failures or farm loan foreclosures, high farm credit delinquencies, sudden major layoffs and/or plant closures, and drastically reduced tax bases. Potential applicants are responsible for demonstrating to EDA, through the provision of statistics and other appropriate information, the nature and level of the distress their efforts are intended to alleviate. In the absence of evidence of exceptionally high levels of distress, EDA funding is unlikely. In considering proposals to benefit severely distressed areas, EDA will give special consideration to those that address the needs of rural communities, particularly aid directed toward the economic diversification of such areas.

EDA expects substantial state and local support for proposed projects. Proposals that do not provide evidence of strong state and local leadership and financing are unlikely to receive EDA aid.

In the case of projects involving construction, EDA expects construction to be initiated and completed in a timely manner. Applicants are expected to anticipate predictable delays such as those caused by normal weather conditions, legal complications, community disputes, land acquisition, etc., and account for them in developing project schedules. Projects which are likely to encounter significant delays will normally not be given favorable consideration. Projects that experience unreasonable delays following EDA approval may be terminated and the funds deobligated. These policies are consistent with EDA's objective of supporting activities that can begin to benefit local economies as soon as possible, thereby meeting the urgent development needs identified by project applicants. EDA staff expects those responsible for developing and managing projects to maximize the impact of the public funds by preparing and implementing projects as thoroughly and expeditiously as possible.

EDA funding will not be used directly or indirectly to assist employers who transfer one or more jobs from one area to another. EDA nonrelocation requirements (13 CFR 309.3) apply to grants involving construction, rehabilitation or repair, and other financial assistance under Titles I, II, IV, IX, and section 301(f) of the Public Works and Economic Development Act of 1965, as amended, PWEDA (Pub. L. 89-136; 42 U.S.C. 3121-3246h).

Applicants who have delinquent accounts receivable with the Department of Commerce will not receive new awards until these debts have been paid or arrangements to pay them have been approved by the Department of Commerce.

Applicants may be subject to a pre-award accounting system survey by the Department of Commerce's Office of Inspector General, and fund recipients may be subject to audits or other inspections by the same office.

Applicants eligible for assistance because of membership in an economic development district must be members in good standing and active participants in the district economic development planning process.

EDA staff will evaluate applications for conformance with published statutory, regulatory and policy requirements. Applications proposed for funding under these programs are subject to the requirements of Executive Order 12372, "Intergovernmental Review of Federal Programs."

An invitation to submit a formal application does not assure EDA funding. Unsuccessfull applicants will be notified of the status of their applications when all of EDA's funds for the program to which they have applied have been awarded.

The following material describes other policies and procedures associated with each of EDA's programs.

II. Program: Planning Assistance for Economic Development Districts, Indian Tribes, and Redevelopment Areas

(Catalog of Federal Domestic Assistance: 11.302 Economic Development—Support for Planning Organizations)

Summary

Funds under the District, Indian and Area Planning Program are awarded to defray administrative expenses in support of the economic development planning efforts of Economic Development Districts (Districts), Redevelopment Areas (Areas) and Indian Tribes. This program is authorized under section 301(b) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151(b).

Eligibility

Eligible applicants are Economic Development Districts, Redevelopment Areas, organizations representing Redevelopment Areas (or parts of such Areas), Indian Tribes, organizations representing multiple Indian tribes, the Federated States of Micronesia, and the Government of the Marshall Islands.

Program Objective

The primary objective of planning assistance for administrative expenses under section 301(b) is to support the formulation and implementation of economic development programs designed to create or retain full-time permanent jobs and income, particularly for the unemployed and underemployed in the most distressed areas served by the applicant. Planning activities supported with this aid must be part of a continuous process involving significant leadership by public officials and private citizens.

Funding Availability

Funds in the amount of $18.205 million are available in two categories: Districts/Areas (Category A)—$15.330 million; and Indian Tribes (Category B)—$2.875 million.

Funding Instrument

Grant assistance can be provided for up to 75 percent of project costs for Category A grants. Under Category A, the applicant will be required to provide the remaining share. Category B grant assistance may be provided for up to 100 percent of project costs.

Project Duration

Both Category A and Category B assistance will normally be for a period of twelve months.

Selection Criteria

Priority consideration will be given to currently funded District and Indian grantees for proposals which are eligible under section 301(b), 42 U.S.C. 3151(b). At this time, it is not expected that funds will be available for other purposes. If, however, there are remaining funds, they will be used for new proposals from other eligible applicants under both Categories A and B and/or for special economic development activities that benefit one or more 301(b) grantees and cannot be financed with other resources. Information on application procedures for any funds available for special activity grants will be provided by EDA's Regional Offices or Headquarters staff after March 31, 1988. EDA will consider the following factors in evaluating proposals:

1. The responsiveness of the proposed work program to the program regulations contained in 13 CFR 307.22;
2. The economic distress of the area served by the applicant;
3. The currently funded grantees' past performance (including information in scheduled progress reports); and
4. The local leaders' involvement in applicant's economic development activities.

Proposal Submission Procedures

Currently funded grantees and other eligible applicants under both Categories A and B should submit proposals which include:

1. A letter signed by the chief elected official (Chairman of the Board, Tribal Chairman) or another authorized official of the District, Area or Indian tribe stating the organization's desire to receive funds to carry out the types of planning and administrative activities eligible under the 301(b) program.
2. Significant, verifiable information on the level of economic distress in the area, including unemployment and income data. Any major changes in distress levels during the past year should be described.
3. A work program outlining the specific development activities that will be carried out under the grant and explaining how they relate to the problems identified in the area OEDP, annual report, or other documents. New applicants should submit proposals to the appropriate EDA Regional Office no later than April 30, 1988. Proposals postmarked after this date may not receive consideration.

Formal Application Procedures

EDA Regional Offices will contact currently funded grantees to inform them of the procedures for submitting applications for additional funding. Except in cases where work program changes or other factors dictate a different approach, EDA expects to offer new grants to currently funded grantees selected for additional assistance.

Following review of the proposals submitted by other entities, EDA will invite those selected for funding consideration to submit formal applications, which will include an SF-424 or similar form as currently approved by the Office of Management and Budget and other required application materials.

Further Information

For further information contact the appropriate EDA Regional Office (see Section X of this Notice) or Lois F. Bueso, Director, Planning Division, Economic Development Administration, Room 7319, U.S. Department of Commerce, Washington, DC 20230; telephone, 202–377–2873.

III. Program: Planning Assistance for States and Urban Areas

(Catalog of Federal Domestic Assistance: 11.306 Economic Development—State and Urban Area Economic Development Planning)

Summary

The Economic Development Administration announces its policies and application procedures for funds available for the State and Urban Planning Program operated under the authority of section 302(a) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151a.

Eligibility

Eligible applicants under this program are states, territories, cities and urban counties.

Program Objective

The primary objective of planning assistance under section 302(a) is to strengthen the economic development planning and policy-making capabilities of states, territories, cities and urban counties to ensure a more effective use of available resources in addressing economic problems, particularly those resulting in high unemployment and low incomes. Planning activities conducted under this assistance must be part of a continuous process involving significant local leadership from public officials and private citizens.

Funding Availability

Funds in the amount of $4.790 million ($1.916 million for states and $2.874 million for urban areas) are available for providing grant assistance under this program.

Funding Instrument

Grant assistance can be provided for up to 75 percent of project costs. Applicants will be required to provide the remaining share.

Project Duration

Assistance under this program normally will be for a period of twelve months.

Selection Criteria

Among the factors EDA expects to consider in evaluating proposals are the following:

1. The responsiveness of the proposed work program to the program regulations contained in 13 CFR 307.52(a)(1) and (2);
2. The economic distress of the area served by the applicant; and
3. For current grantees, past performance, including information on that performance reflected in progress reports submitted under previous grants.

Proposal Submission Procedures

EDA staff will contact grantees to explain any additional project selection criteria and, if appropriate, FY 1988 proposal submission procedures, including proposal submission dates.

It is expected that those entities selected to submit proposals will be asked to include at least the following items as part of the proposal package:

1. A letter signed by the head of the applicant organization or another authorized official indicating a desire to receive funds to carry out the types of

planning activities eligible under the 302(a) program.

2. Significant, verifiable information on the level of economic distress in the area, including unemployment and income data. Any major changes in distress levels during the past year should be described.

3. A work program outlining the specific development activities that will be carried out under the grant to address the problem(s) identified.

Proposals should be submitted to the appropriate EDA Regional Office (see section X of this Notice).

Formal Application Procedures

EDA will evaluate proposals using the selection criteria cited above and any other criteria developed and subsequently explained in writing to grantees. Following the review of proposals, EDA will invite those whose proposals are selected for funding consideration to submit formal applications, which will include an SF-424 or similar form as currently approved by the Office of Management and Budget and other application materials.

Further Information

For further information contact the appropriate EDA Regional Office (see section X of this Notice) or Luis F. Bueso, Director, Planning Division, Economic Development Administration, Room 7319, U.S. Department of Commerce, Washington, DC 20230; telephone 202-377-2873.

IV. Program: Technical Assistance

(Catalog of Federal Domestic Assistance: 11.303 Economic Development—Technical Assistance)

Summary

Funds under the Technical Assistance Program are awarded to eligible applicants to provide a wide range of assistance. The assistance is intended to assure the successful initiation and implementation of area, state, regional, and national development efforts designed to alleviate economic distress. This program is authorized under the authority of section 301(a) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151(a).

Eligibility

Eligible applicants for technical assistance grants or cooperative agreements include public or private nonprofit, national, state, area, district, or local organizations; public and private colleges and universities (including EDA-funded university centers); and other suitable entities (including Indian tribes, local governments, and state agencies). Working relationships among the parties will determine whether a grant or cooperative agreement is most appropriate. Other eligible applicants for technical assistance cooperative agreements are private individuals, partnerships, firms, and corporations.

Program Objective

The Technical Assistance Program is designed to provide technical assistance useful in alleviating or preventing conditions of excessive unemployment or underemployment and problems of economically distressed populations in rural and urban areas.

Funding Availability

Funds in the amount of $1.916 million are available for technical assistance projects proposed by eligible entities and projects initiated by EDA through Solicitation of Applications for specific technical assistance activities. Twenty percent of the available funds will be reserved for multi-regional and demonstration technical assistance projects, most of which are expected to be initiated by EDA.

Funding Instrument

EDA will provide grants and cooperative agreements not to exceed 75 percent of proposed project costs. Applicants are expected to provide the remaining share. In cases when EDA issues a Solicitation of Applications, an applicant's share may not be required.

Project Duration

Assistance will be for the period of time required to complete the scope of the work. Generally, this will not exceed twelve months.

Selection Criteria

Preference will be given to those technical assistance proposals which:

1. Produce strong evidence that the proposed project will lead to the near-term (between one and five years) generation and/or retention of private sector jobs, and do not depend upon further EDA or other Federal funding assistance to achieve results.

2. Strengthen the capability of state and local organizations and institutions, including nonprofit development groups, to undertake and promote effective economic development programs targeted to people and areas in distress.

3. Stimulate significant private and non-Federal public investment for economic development purposes, including funds from commercial lenders, public and private pension funds and other nontraditional sources.

4. Benefit severely distressed areas, particularly rural counties and communities.

5. Diversify distressed rural economies by means of enterprise zones and other strategies.

6. Demonstrate innovative approaches to stimulating economic development in depressed areas.

7. Establish links between the unemployed and underemployed and economic opportunities offered by new and expanding businesses, facilities and services.

8. Promote technology transfer and increased productivity to improve the competitiveness of firms/industries located in distressed areas.

9. Are consistent with the EDA approved Overall Economic Development Program (OEDP) for the area in which the projects are located and have been recommended by the OEDP Committee (if appropriate to the nature of the project).

10. Present an appropriate and clear project design.

11. Are proposed by organizations or individuals with the capacity, qualifications and staff necessary to undertake the intended activities.

12. Present a reasonable, itemized budget for the proposed activities.

13. Involve a significant (preferably cash) contribution from applicant or other non-Federal sources.

Pre-Application Procedures

Parties seeking support for local technical assistance projects that will primarily benefit a substate or intra-regional area must contact the Economic Development Representative (EDR) for the area for a proposal package. This package may contain additional information on procedures and selection criteria. The EDA Regional Office will provide the name, address and telephone number of the EDR for the applicant's area (see list of Regional Offices at end of this notice). EDA staff will evaluate all proposals and invite applications for those which best satisfy the selection criteria.

As indicated above, EDA will during the course of the year identify specific economic development technical assistance activities it wishes to have conducted. Organizations and individuals interested in being invited to respond to Solicitations of Applications (SOAs) to conduct such work should submit information on their capabilities and experience to David H. Geddes, Director, Technical Assistance and Research Division, Economic Development Administration, Room 7317, U.S. Department of Commerce, Washington, DC 20230, by February 29, 1988. Applicants submitting information after that date may not be considered. EDA will review this information to determine eligibility to compete for projects under specific SOAs. Proposals for EDA demonstration projects or projects whose impacts will cross EDA regional boundaries should be submitted to David Geddes at the above address. Individuals or organizations located outside the Washington, DC metropolitan area should submit a copy of the letter transmitting their proposal to the EDR for the area in which they are located.

Formal Application Procedures

The appropriate EDA Office will ask entities whose proposals for technical assistance projects or responses to SOAs are selected for further consideation to complete formal application packages.

Further Information

For further information about local technical assistance projects—those that will benefit substate or intra-regional areas—contact the appropriate EDR (whose name, address, and telephone number may be obtained from the EDA Regional Office) or the appropriate EDA Regional Office (see list of EDA Regional Offices at end of this notice). For further information about demonstration or multi-regional projects, contact David H. Geddes, telephone (202) 377-4085.

V. Program: University Center Projects

(Catalog of Federal Domestic Assistance: 11.303 Economic Development—Technical Assistance)

Summary

Funds for basic university center projects are used as seed money to help selected colleges and universities mobilize their own and other resources to assist in the economic development of distressed areas. The efforts of university centers should focus on helping public bodies, nonprofit organizations and businesses plan and implement activities designed to generate jobs and income. In addition, funds may be used for projects which promote the goals of the University Center Program in other ways. Support for these types of projects is authorized under section 301(a) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151(a).

Eligibility

Eligible applicants for university center grants and cooperative agreements are public and private colleges and universities, associations representing such institutions, and other organizations with expertise in University Center Program issues.

Program Objective

The objective of these projects is to enable colleges and universities to contribute to overall economic development by using their resources to provide technical assistance that will alleviate or prevent conditions of excessive unemployment or underemployment and problems of distressed populations in individual states or sub-state areas.

Funding Availability

Funds in the amount of $4.790 million are available for university center projects. Congress has directed that a total of $0.250 million be obligated as a direct grant "without any further requirement or delay" for the Center for International Trade Development at Oklahoma State University. Approval of this grant would reduce the university center funds available for the region in which this project is located.

Funding Instrument

University center project funds will be awarded through grants and cooperative agreements to cover a portion of project costs. The amount covered will not exceed 75 percent of proposed project costs. In the case of university center basic grants, the following policies regarding local share apply:

1. As announced in November 1985, university centers initially funded prior to FY 1986 (October 1, 1985) which continue to receive EDA support must, if funds are made available by Congress, gradually increase their share to match the EDA grant dollar-for-dollar by FY 1990. At least half of the local share must be in cash. Centers which do not demonstrate progress in this regard may not continue to receive EDA funding.

2. University centers initially funded in or after FY 1986 which continue to receive EDA support must, provided funds are made available by Congress after FY 1988, provide a minimum of $33,334 in the first year, $45,000 in the second year, $60,000 in the third year, $80,000 in the fourth year, $100,000 in the fifth year, $125,000 in the sixth year, and $140,000 in the seventh and final year. At least half of the local share must be in cash.

Project Duration

Grants and cooperative agreements will be for the period of time required to complete the scope of work. Generally this will not exceed twelve months.

Selection Criteria

In judging proposals from existing and potential university centers for basic grants, EDA will consider whether the proposed center programs:

1. Serve areas of significant economic distress;

2. Address the development needs of the service area;

3. Complement the activities of other organizations engaged in economic and business development (where applicable, the proposal must identify how it differs from the services provided by a local Small Business Development Center, Trade Adjustment Assistance Center (TAAC) or a Minority Business Development Center);

4. Possess the commitment, as evidenced by financial support and other resources, of the university leadership at the highest levels to the mission and purpose of the university center;

5. Possess the capacity to provide the proposed technical and other types of assistance to jurisdictions and organizations within the service area; and

6. Complement and support the local, regional or state economic development strategies in the service area. EDA staff will also consider the following factors in evaluating proposals for basic grants from potential centers:

1. The extent to which the center proposes to serve the economic development needs of economically distressed jurisdictions and community-based organizations.

2. The presence of another EDA-funded center in the state.

3. The presence of an SBA- or MBDA-funded center or a TAAC in the service area.

Proposals will also be judged on the quality of the proposed work program and the qualifications of the applicant to carry out that work program. Proposals for other projects that meet the goals of the University Center Program will be judged on similar factors. These include the potential impact of the project on distressed areas, the quality of the proposed work program, and the qualifications of the applicant to carry it out.

Depending on the availability of funds, EDA may hold a periodic competition for short-term (one to three year) incentive grants. This competition will be open to all currently and previously funded centers, except those which received initial funding in the previous year and those whose funding was discontinued because of poor performance.

Funding Policy

For centers judged to performing satisfactorily and if funds are made available by Congress, EDA's policy is to provide basic support of $100,000, annually, for five years and $50,000 annually, for the sixth and seventh years. No basic funds are provided after the seventh year of EDA support.

For centers initiated prior to FY 1982 (October 1, 1981), EDA's funding will be reduced in FY's 1988, 1989, and 1990 by 20, 40, and 50 percent, respectively, from the FY 1987 funding level. No funding will be provided in FY 1991. Exceptions to these policies may be made in unusual circumstances, such as when no other qualified institution exists to provide services to an area with extreme economic distress.

Proposal Submission Procedures

A. Basic Grants for Existing University Centers

Existing centers that have been selected to receive consideration for continued basic funding will be notified of all application procedures by the EDA Regional Offices. Any existing centers not selected to receive consideration for continued support will be so notified.

B. Basic Grants for New Centers

1. *Letters of Interest.* Colleges and universities interested in participating in the University Center Program should submit letters of interest, signed by the president or another authorized official, to the appropriate EDA Regional Office with a copy to the EDA Economic Development Representative (EDR). The letter should describe the center's proposed service area; the economic distress of that area; the relationship of the center's program to state, regional and local economic development strategies, as appropriate; and the activities to be undertaken with the EDA assistance. In addition, the letter must indicate that the college or university leadership understands that EDA's policy is to (a) provide funds for the basic university center operations for a maximum of seven years, if funds continue to be available to EDA for the University Center Program; and (b) require increasing financial support by the college or university over the seven years as described in item 2 under *Funding Instrument.*

2. *Deadlines.* February 29, 1988. Letters received after this date may not be considered.

3. *Proposals.* Colleges and universities selected by EDA for consideration as new centers will be invited by April 15, 1988 to submit detailed proposals. The appropriate Regional Office will provide instructions for preparing such a proposal. EDA will use the previously described selection criteria to evaluate these proposals. Those submitting unsuccessful proposals will be notified as soon as possible.

Formal Application Procedures

The appropriate EDA Regional Office will ask entities whose proposals for new basic university center grants are selected for further consideration to complete formal application packages.

Further Information

For further information, contact the appropriate EDA Regional Office (see section X of this Notice), the appropriate EDR (whose name, address, and telephone number may be obtained from the EDA Regional Office), or Tony Meyer, Technical Assistance and Research Division, Economic Development Administration, Room 7319, U.S. Department of Commerce, Washington, DC 20230; telephone, 202-377-2127.

VI. Program: Research and Evaluation Projects

(Catalog of Federal Domestic Assistance: 11.312 Economic Development—Research and Evaluation Program)

Summary

Funds under the Research and Evaluation Program are used to support studies that will increase knowledge about the causes of economic distress and approaches to alleviating such problems. This program is authorized under section 301(c) of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3151(c).

Eligibility

Eligible applicants are private individuals, partnerships, corporations, associations, colleges and universities, and other suitable organizations.

Project Objective

The objectives of section 301(c) grants and cooperative agreements are the following:

1. To determine the causes of unemployment, underemployment, underdevelopment, and chronic depression in various areas and regions of the Nation.

2. To assist in the formulation and implementation of national, state, and local programs that will raise employment and income levels and otherwise produce solutions to problems resulting from the above conditions.

3. To evaluate the effectiveness of programs, projects, and techniques used to (a) alleviate economic distress; and (b) promote economic development.

Funding Availability

Funds in the amount of $1.210 million are available for this program. Funds will be used for projects selected through the application procedures cited below and for EDA-initiated solicitations.

Funding Instrument

EDA will provide grants and cooperative agreement awards covering up to 100 percent of project costs.

Project Duration

Assistance under this program will normally be for a period of up to 15 months.

Selection Criteria

EDA will use the following criteria to evaluate research and evaluation proposals:

1. Suitability of the subject.
2. Potential usefulness of the research to state and local economic development practitioners.
3. General quality and clarity of the proposal.
4. Soundness and completeness of the research methodology.
5. Qualifications of principal investigator(s) and, where appropriate, performing organization(s).
6. Previous performance of principal investigator and/or performing organization on EDA-funded projects (i.e., the quality and timeliness of prior work).
7. Total cost, and value of product in relation to cost.
8. Ability to be completed in no more than 12 to 15 months. EDA is interested in receiving proposals dealing with:
    1. Employment and unemployment;
    2. Income and poverty;
    3. Rural and other nonmetropolitan economic development;
    4. Regional and local growth;
    5. Industrial location;
    6. Job creation methods;
    7. State and local economic development efforts;
    8. Private sector economic development efforts;
    9. Developmental effects of public works and other infrastructure;
    10. Capital markets and development finance, particularly non-Federal sources of economic development financing;
    11. Industrial competitiveness;
    12. Minority business and minority jobs;
    13. Productivity and technology; and

14. Non-Federally funded financing proposals for economic development.

Requested grants and awards should be for specific, well-defined, onetime research projects. EDA research grants are not intended for support of continuing programs (ongoing research programs, publication and information programs, periodic forecasts, etc.) or for nonresearch activities. Some research proposals deal with or involve samples drawn from only one part of the United States. EDA normally prefers research that is not limited in geographic scope or that at least covers a very large multistate region, as opposed to research covering (in declining order of preference) a small region, a state, a multicounty area, or a single city or county. EDA prefers cause-and-effect research and descriptive analyses to theoretical studies, modeling (other than for hypothesis testing), and the like. Economic development planning and technical assistance for specific places will not be funded under the Research and Evaluation Program; the Planning and Technical Assistance Programs are for those purposes.

Proposal Submission Procedures

Potential applicants should submit a brief and concise proposal. Proposals should avoid long background discussions and literature surveys, but should be reasonably detailed, particularly in explaining methodology. Each proposal should include (1) a cover page giving a short descriptive project title, the name and address of the performing organization, the names and telephone numbers of the project director and principal investigators, the project duration, the amount of EDA funds requested, and the program (Research and Evaluation) that would provide the funds; (2) a brief scope-and-objectives section saying why the project is needed, giving its objectives, and providing a capsule description of the project; (3) a more detailed description of the project and its methodology; (4) a work plan showing different phases of the project and their timing; (5) a detailed budget showing cost breakdowns, with EDA-funded and any non-EDA-funded costs presented in separate columns and with the EDA-funded costs adding to the total shown on the cover page; (6) resumes for the project director and principal investigators; and (7) a corporate or institutional capability statement, where appropriate.

The cover letter accompanying the proposal should inform EDA of whether any other organization(s) or Federal agency(ies) is or will be considering the proposal. Any non-EDA contributions to the project, whether by the performing organization or third parties, should be identified.

Proposals should be submitted to David H. Geddes, Director, Technical Assistance and Research Division, Economic Development Administration, Room 7319, U.S. Department of Commerce, Washington, DC 20230. Proposals postmarked after February 29, 1988, may not be considered.

Formal Application Procedures

EDA will evaluate the proposals using the selection criteria described above. Organizations and individuals whose proposals are selected for further consideration will be invited to submit the additional materials required for a grant or cooperative agreement award.

Eligibility for Specific Solicitations

In addition to using research and evaluation funds to support proposals submitted under the procedures described above, EDA may during the fiscal year identify other studies, including program evaluations, for funding consideration. Organizations and individuals interested in being invited to respond to Solicitations of Applications (SOAs) to conduct such studies should submit information on their capabilities and experience to the address listed above. This information will be used to determine eligibility to compete for projects under specific SOAs. Those who submit information postmarked after March 3, 1988, may not be invited to respond to SOAs this fiscal year.

Further Information

For further information, contact David H. Geddes, at the above address; telephone, 202-377-4085.

VII. Program: Economic Adjustment Assistance (Title IX)

(Catalog of Federal Domestic Assistance No: 11.307 Special Economic Development and Adjustment Assistance Program—Long-Term Economic (LTED) and Sudden and Severe Economic Dislocation (SSED))

Summary

Funds under the Economic Adjustment Program are used to assist areas experiencing long-term economic deterioration (LTED) and areas threatened or impacted by sudden and severe economic dislocation (SSED). This program is authorized under Title IX of the Public Works and Economic Development Act of 1965, as amended, 42 U.S.C. 3241-3245.

Program Objective

The LTED Program assists eligible applicants in implementing strategies that halt and reverse the long-term decline of their economies. Grants for Revolving Loan Funds (RLF) are usually provided under the LTED/RLF Program.

The SSED Program assists eligible applicants to respond to actual or threatened major job losses (dislocations) and other severe economic adjustment problems. It is designed to help communities prevent a sudden, major job loss; to reestablish employment opportunities as quickly as possible after one occurs; or to meet special needs resulting from severe changes in economic conditions. SSED assistance is intended to respond to permanent rather than temporary job losses. Assistance may be in the form of a grant to develop a strategy to respond to the dislocation (Strategy Grant) or a grant to implement an EDA approved strategy (Implementation Grant).

In light of the current high level of economic distress in rural areas, EDA is particularly interested in Title IX projects designed to mitigate serious rural economic adjustment problems. EDA is also interested in proposals to help severely distressed areas with large minority populations.

Funding Availability

Funds in the amount of $24.657 million are available for the Economic Adjustment Program in FY 1988. Of the amount, $12.454 million will be available for the SSED Program and $12.203 million will be available to fund RLFs (LTED).

Funding Instrument

Title IX funds are awarded through grants which normally provide up to 75 percent of the project cost. Acceptable source of the local share include, but are not limited to, local government general revenue funds; Community Development Block Grant (CDBG) entitlement funds or balance of state awards; and other public and private donations.

The full amount of the local share need not be in hand at the time of application; however, the applicant must have a firm commitment from identified source(s), and the funds must be readily available. The local share and any loan repayments must not be encumbered in any way that would preclude their use as required by the grant agreement. The local share for the RLF Program must be in cash. The local share for the SSED Program may be in cash and/or in-kind.

Eligible Applicants

Eligible applicants within areas meeting the EDA eligibility criteria described below include a redevelopment area or economic development district established under Title IV of this Act, 42 U.S.C. 3161; an Indian tribe; a state; a city or other political subdivision of a state, or a consortium of such political subdivisions; a Community Development Corporation defined in the Community Economic Development Act, 42 U.S.C. 9801; a nonprofit organization determined by EDA to be the representative of a redevelopment area; the Federated States of Micronesia; and the Republic of the Marshall Islands.

Eligible Areas

A. LTED

In order to receive priority consideration for funding under the LTED/RLF Program, an area must be experiencing at least one of three economic problems: very high unemployment; low per capita income; or chronic distress (i.e., failure to keep pace with national economic growth trends over the last five years). Eligibility is determined statistically. Further information is available from EDA's Regional Offices.

B. SSED

In order to receive priority consideration for funding under the SSED Program, an area must show actual or threatened permanent job losses that exceed the following threshold criteria, unless otherwise determined by the Assistant Secretary:

1. For areas not in Metropolitan Statistical Areas:

a. If the unemployment rate of the Labor Market Area exceeds the national average, the dislocation must amount to the lesser of two (2.0) percent of the employed population, or 500 direct jobs.

b. If the unemployment rate of the Labor Market Area is equal to or less than the national average, the dislocation must amount to the lesser of four (4.0) percent of the employed population, or 1,000 direct jobs.

2. For areas within Metropolitan Statistical Areas:

a. If the unemployment rate of the Metropolitan Statistical Area exceeds the national average, the dislocation must amount to the lesser of one-half (0.5) percent of the employed population, or 4,000 direct jobs.

b. If the unemployment rate of the Metropolitan Statistical Area is equal to or less than the national average, the dislocation must amount to the lesser of one (1.0) percent of the employed population, or 8,000 direct jobs.

In addition, fifty (50) percent of the job loss must result from the action of a single employer, or eighty (80) percent of the job loss must occur in a single industry classification (i.e., two digit SIC code).

In the case of a Presidentially declared natural disaster, the area eligibility criteria are waived. In other similarly exceptional circumstances, the criteria may be partially waived at the discretion of the Assistant Secretary.

Actual dislocations must have occurred within one year and threatened dislocations must be anticipated to occur within two years of the date EDA is contacted.

Selection Criteria

Proposals will be evaluated based on conformance with statutory and regulatory requirements, the economic adjustment needs of the area, the merits of the proposed project in addressing those needs and the potential applicant's ability to manage the grant effectively.

A. LTED/RLF Selection Criteria

Key factors in EDA's selection of proposed LTED/RLF projects include:

1. *Economic and Financial Needs of the Project Area.* a. Areas with the highest levels of economic distress (high unemployment, low per capita income, vacant plants, deteriorating infrastructure, and declining farm economy, etc.) will receive priority consideration.

b. Need for RLF financing will be evaluated based on the applicant's analysis of the local capital market and how clearly this analysis defines the financial problems to be addressed by the RLF project.

c. Potential applicant's need for grant funds to carry out the project will be based on an assessment of its financial resources (e.g., budget deficit or surplus).

2. *Objectives and Benefits of Proposed Projects.* Priority will be given to projects which can:

a. Stimulate private sector employment. The number and types of jobs to be created/retained will be key factors in project selection along with the job/cost ratio established for the RLF portfolio as a whole.

b. Target assistance to meet program objectives and to support specific economic adjustment activities planned or underway in the area, particularly those identified in the OEDP, Title IX strategy, or other plans developed to deal with specific economic adjustment problems affecting the area. This may include target areas, industries, types of employers or other criteria that maximize the impact of assistance on specific needs within the area.

c. Leverage higher ratios of private investment than the required minimum ratio of two private sector investment dollars to one RLF dollar. (Note: the local share or other funds provided by the RLF to finance loans cannot be counted as leveraged dollars.)

d. Direct new job opportunities to the long-term unemployed and underemployed.

e. Assist minorities, women and members of other economically disadvantaged groups in obtaining RLF loans.

f. Provide technical and management assistance for RLF borrowers, in addition to loan funds.

g. Use creative financing techniques to overcome specific gaps in the local capital market.

h. Make loans on a timely basis. The implementation schedule for RLF projects will normally require that RLF loans in the initial round be closed (and all EDA funds disbursed) within three years of grant approval with no less than 50 percent disbursed within eighteen months and 80 percent within two years.

i. Include a larger matching share than the required 25 percent or secure commitments for future funding from other private or non-Federal public sources.

j. Coordinate activities with other economic development organizations, loan programs, employment training programs and private lenders in the area.

3. *Effective Management of the RLF.* EDA will also evaluate proposed projects to determine that the RLF will be properly managed. Key factors include:

a. A strong and effective Loan Administrative Board with broad community representation, including appropriate public, private sector, minority and women representation.

b. Staff capacity in program and policy development, finance, law, marketing, credit analysis, loan packaging, processing and servicing.

c. Efficient procedures for loan selection, approval, and servicing which emphasize the economic development potential of loans as well as sound management and financing practices.

d. A strategy for relending loan repayments which will ensure that the RLF revolves continuously and thus fulfills its purpose of creating jobs and stimulating economic activity on an ongoing basis.

e. Adequate resource to cover administrative costs of the RLF.

f. The potential applicant's experience and capacity for administering economic and business loan programs. If the potential applicant has designated another organization to administer the project, EDA will evaluate the experience and capacity of that organization, rather than the potential applicant.

Nongovernment (excluding Economic Development Districts) organizations seeking funds must be sponsored by the local or state government having jurisdiction over the project area, and the sponsor must be willing to assume responsibility for operating the RLF should the nongovernment entity no longer be able to administer the project.

B. SSED Evaluation Criteria

Key factors in EDA's selection of proposed SSED projects include:

1. The severity of the dislocation as measured by, but not limited to, the following factors.

a. The degree to which the number of dislocated workers exceeds the eligibility threshold.

b. The proportion of the total job loss represented by a single employer.

c. The proportion of employment in a single industry classification represented by the firm(s) closing.

d. The potential applicant's need for grant funds to carry out the project based on an assessment of its financial resources (e.g., budget deficit or surplus).

2. The objectives and benefits of proposed activities as measured by the extent to which:

a. *For Implementation Grants.* (1) Job creation or retention in the near term is emphasized versus more long-term, general economic development. Projects likely to encounter delays, particularly in initiating or completing construction, will normally not be given favorable consideration.

(2) The jobs to be created and/or retained are permanent, will directly benefit the dislocated workers, and are new employment opportunities and not transferred from one area of the United States to another.

(3) The response to the problem is timely.

(4) EDA assistance will be complemented by, or will complement, appropriate state and local efforts, for example, training and job placement services, other Federal investments, such as Urban Development Action Grants, and private sector support.

(5) The adjustment strategy and implementation activities proposed demonstrate an appropriately creative approach to addressing the dislocation.

(6) The cost per job created or retained is minimized.

(7) In the case of a Revolving Loan Fund, the recycled loan proceeds generate economic development benefits.

(8) The local share exceeds the required 25 percent.

b. *For Strategy Grants.* (1) The applicant has demonstrated the capacity to manage the planning process and subsequent implementation activities.

(2) The proposed scope of work is responsive to the problem.

(3) The focus of the planning effort is on the generation of practical and implementable solutions.

(4) The local share exceeds the required 25 percent.

Construction Project Implementation

As indicated in the first section of this Notice, EDA expects construction projects to be initiated and completed in a timely manner in accordance with the schedule agreed upon in the grant documentation. The recipient will be responsible for promptly notifying EDA of any events that prevent adherence to the approved schedule. The grantee must also provide an explanation of why the events were beyond its ability to predict or control and obtain EDA approval of changes in the schedule prior to proceeding with project implementation.

EDA expects grantees to anticipate predictable delays (such as those caused by land acquisition problems, local financing requirements, acquisition of state permits and approvals, normal weather conditions in area, and public objections to the project), and take them into account in preparing the project schedule. Grantees who fail to comply with project schedules may be subject to grant suspension and/or termination.

EDA will not provide additional funds to finance overruns that occur during project implementation.

Proposal Submission Procedures

Interested parties should contact the Economic Development Representative for the area or the appropriate EDA Regional Office for a proposal package. The EDA Regional Office can provide the name, address and telephone number of the Economic Development Representative for the area. Project proposals, submitted by eligible entities, will be evaluated by EDA staff on the basis of:

1. Conformance with the evaluation criteria mentioned above and statutory, regulatory and policy requirements.

2. The availability of funds.

Formal Application Procedures

Following a review of project proposals, EDA will invite those projects selected for funding consideration to submit formal applications.

Further Information

For further information about this program, contact the appropriate EDA Regional Office or Paul J. Dempsey, Director, Economic Adjustment Division, Economic Development Administration, Room 7327, U.S. Department of Commerce, Washington, DC 20230, telephone 202-377-2659.

VIII. Program: Public Works and Development Facilities Assistance

(Catalog of Federal Domestic Assistance: 11.300 Economic Development Grants and Loans for Public Works and Development Facilities. 11.304 Economic Development Public Works Impact Program (PWIP))

Summary

Funds available under the Public Works Program are used to finance public works and development facilities that contribute to the economic development of depressed areas. EDA's public works expenditures are authorized by Titles I and IV of the Public Works and Economic Development Act of 1965, as amended (PWEDA), 42 U.S.C. 3131 and 42 U.S.C. 3171(a)(3)

Eligibility

Eligible applicants under this program include any state, or political subdivision thereof, Indian tribe, the Federated States of Micronesia, the Republic of the Marshall Islands, or private or public nonprofit organization or association representing any redevelopment area or part thereof, if the project is located within an EDA-designated redevelopment area. Redevelopment areas, other than those designated under the Public Works Impact Program, must have a current EDA-approved Overall Economic Development Program (OEDP).

Political entities claiming eligibility under OEDPs developed by multicounty economic development organizations are expected to continue to participate actively in the organization. Further information on areas eligible for this EDA program is available from EDA's Regional Offices.

Program Objective

The purpose of the Public Works Grant Program is to assist communities with the funding of public works and development facilities that contribute to the creation or retention of private sector jobs and to the alleviation of unemployment and underemployment. Such assistance is designed to help communities achieve lasting improvement by stabilizing and diversifying local economies. and improving local living conditions and the economic environment of the area. EDA emphasizes the alleviation of unemployment and underemployment among residents of the project area as a primary focus of this program. In view of the current rural distress. applications from rural communities will be reviewed with particular interest.

Funding Availability

Funds in the amount of $128.460 million are available for this program. Congress has directed that a total of $6.500 million be obligated as direct grants "without any further requirement or delay" for the Mississippi Institute for Technology Development ($3.0 million); the University of Bridgeport; Connecticut ($2.5 million); and the City of Worcester and the Worcester Business Development Corporation. Massachusetts ($1.0 million). Approval of these grants would reduce the funds available for each of the regions in which these projects are located.

Funding Instrument

EDA may provide grants with maximum EDA participation of 80 percent of project costs. On an average. EDA grants cover 50 percent of project costs. Applicants will be required to provide the local share from acceptable sources of the local share including, but not limited. to local government general revenue funds; Community Development Block Grant (CDBG) entitlement funds or balance of state awards; Farmers Home Administration loans; and other public and private donations.

The local share need not be in hand at the time of application; however, the applicant must have a firm commitment from identified sources. and the funds must be readily available. The local share must not be encumbered in any way that would preclude its use consistent with the requirements of the grant agreement. Priority will be given to applications which maximize the local share's percentage of the project cost. Supplementary grant assistance to finance more than 50 percent of project costs will only be approved by EDA for projects in areas of high distress. Decisions on such assistance will be based on the nature of the project, the amount of fair user charges or other revenues the project may reasonably be expected to generate and the relative needs of the project (see 13 CFR 305.5).

Selection Criteria

For both regular public works projects and Public Works Impact Program (PWIP) projects. priority consideration will be given to those which are the most competitive based upon the project selection criteria set forth below, that best meet the needs of eligible areas. and that are located in areas of severe economic distress.

A. Public Works Project

Factors that will be taken into account in considering projects eligible under section 101(a)(1)(A)–(C) of PWEDA. 42 U.S.C. 3131(a)(1)(A)–(C). include whether and to what extent the project:

1. Improves opportunities for the successful establishment or expansion of industrial or commercial plants or facilities in the area where such project will be located;
2. Assists in creating or retaining private sector jobs in the near term and assists in the creation of additional long-term employment opportunities, provided the jobs are not transferred from any other area of the United States. and will result in a low cost per job in relation to total EDA project cost;
3. Benefits the long-term unemployed and members of low-income families who are residents of the area to be served by the project;
4. Fulfills a pressing need of the area, or part thereof, in which it will be located;
5. Is consistent with the EDA approved Overall Economic Development Program (OEDP) for the area in which it is, or will be, located, and has broad community support;
6. Is supported by significant private sector investment;
7. Has adequate local share of funds with evidence of firm commitment and availability;
8. Supports developments taking place in designated enterprise zones, particularly in rural areas;
9. Demonstrates that necessary permits, land acquisitions or options on land and rights-of-way have been obtained and that all other legal requirements of the application process have been satisfied; and
10. Gives evidence of the ability to begin and complete construction in a timely manner in accordance with a schedule to be agreed upon by EDA and the applicant and included in the grant award.

B. Public Works Impact Program

Factors that will be taken into account in considering projects under the Public Works Impact Program (PWIP) authorized by section 101(a)(1)(D) of PWEDA. 42 U.S.C. 3131(a)(1)(D). include whether and to what extent the project:

1. Directly assists in creating immediate useful work (i.e., construction jobs) for the unemployed and underemployed residents in the project area;
2. Improves the economic or community environment in areas of severe economic distress;
3. Includes a specific plan (i.e., PWIP Employment Strategy) for hiring the unemployed and underemployed persons in the project area to work on the construction of the project; EDA will evaluate all plans to ensure that they contain a logical explanation of how the employment objectives will be met;
4. Assists in creating long-term employment opportunities or other economic benefits for the unemployed and underemployed in the project area;
5. Primarily benefits low-income families by providing essential services. or satisfying a pressing public need;
6. In addition to the requirements for regular public works projects, as contained in paragraph A.10. can begin construction quickly (normally within 90 days after acceptance of the grant by the applicant); and
7. Has substantial labor intensity. where labor intensity is the proportion of labor costs to the total project costs.

C. Industrial Park Projects

Projects which will primarily serve an industrial park or site will be evaluated on such additional factors as:

1. A detailed analysis of existing industrial park capacity and utilization; occupancy rates for existing developed industrial acres currently available within a 25-mile radius of the project site. For cities with populations over 50,000, the prescribed area may be determined by an analysis of industrial sites within an established industrial area. which may be less than a 25-mile radius. Contact the Economic Development Representative for the area or the appropriate EDA Regional Office for guidance.
2. Commitments in writing from identified tenants to locate in the industrial park or site. Commitments must include description of the industry. the number of jobs created or saved. and an implementation schedule.
3. The existence of a concrete marketing strategy and demonstrated financial ability to market space in the industrial park or site. Strong emphasis will be placed upon this requirement.

D. Favorable Consideration Is Not Likely for Projects Which

1. Are in areas with unemployment rates below the national average, unless it can be demonstrated to EDA's satisfaction by other more appropriate measures that the area is suffering substantial distress and economic hardship;

2. Are in pockets of poverty surrounded by economically affluent areas, unless the pocket of poverty meets EDA's PWIP or SIA designation criteria;

3. Are in Economic Development Centers that have stable economies with little distress, unless the application includes an Employment Strategy that contains a logical explanation of how new job opportunities will be created for and filled by residents of nearby highly distressed redevelopment areas;

4. Do not benefit the long-term unemployed or members of low-income families or otherwise substantially further the objectives of the Economic Opportunity Act of 1964;

5. Cannot be implemented within a reasonable period of time;

6. Involve substantial land purchases; or land purchases involving exorbitant costs. EDA prefers not being involved with land purchases.

7. Do not have the applicant's share of project funding readily available;

8. Support tourism or recreational activities, unless it can be demonstrated to EDA's satisfaction that tourism is the major industry in the area or that the project will assist in creating a significant number of jobs. In that case, the project must directly assist in providing job opportunities for unemployed and underemployed persons of the area and otherwise support the long-term growth of the area;

9. Involve industrial parks where there is evidence of excessive vacancies in existing developed industrial parks or sites in close proximity to the proposed project, unless there is evidence the proposed project is targeted to types of firms not readily accommodated or served by the existing industrial parks and firm commitments to locate in the industrial park exist;

10. Involve vocational-technical schools unless a direct link has been established between the training curriculum and the needs of existing local employers or those committed to locate in the labor market area;

11. Require a mortgage to be placed on the real property or the facility to be constructed/improved with EDA funds; or

12. Request additional financial assistance from EDA to finance cost overruns.

E. Prohibited Projects

No support will be provided for proposals such as:

1. Nonindustrial street/road construction or repair that is normally the responsibility of local government, county, or Federal highway programs;

2. Public buildings including, but not limited to judicial buildings, courthouses, jails, fire stations, hospitals, medical clinics, social service buildings, civic auditoriums, museums, and theaters;

3. Parking garages and pedestrian walkways (elevated or ground level malls);

4. Land reclamation including subsurface demolition and site cleanup activities; or

5. Beautification projects.

Construction Project Implementation

As indicated in the first section of this Notice, EDA expects construction projects to be initiated and completed in a timely manner in accordance with the schedule agreed upon in the grant documentation. The recipient will be responsible for promptly notifying EDA of any events that prevent adherence to the approved schedule. The recipient must also provide an explanation of why the events were beyond its ability to predict or control and obtain EDA's approval of changes in the schedule prior to proceeding with project implementation. EDA expects recipients to anticipate predictable delays (such as those caused by land acquisition problems, local financing requirements, normal weather conditions in the area, acquisition of state permits and approvals, and public objections to the project), and to take them into account in preparing the project schedule. Recipients who fail to comply with project schedules may be subject to grant suspension and/or termination.

Under most circumstances, EDA will not provide additional funds to finance overruns that occur during project implementation.

Proposal Submission Procedures

To establish the merits of project proposals, interested parties should first contact the Economic Development Representative for the area. The EDA Regional Office can provide the name, address and telephone number of the Economic Development Representative for the area who will provide a preapplication form and arrange for conferences to discuss the proposal. EDA will screen proposals before inviting the submission of a formal application. Proposals will be evaluated based upon:

1. Conformance with statutory and other legal requirements and with the selection criteria mentioned above;

2. The merits of the proposal in addressing the relative economic development needs of the eligible area; and

3. The availability of funds as allocated to the Regional Offices.

Processing time for project proposals will depend on the completeness of information provided in the preapplication form and supporting documents at the time of submission. Project proposals that require additional information from applicants or other sources will be returned to correct deficiencies and the official application receipt dates will be adjusted accordingly.

Formal Application Procedures

Following a review of project proposals, EDA staff will invite entities whose projects are selected for funding consideration to submit formal applications.

Previous Applications

Project applications invited, but not funded in FY 1987, remain eligible for funding consideration. Those applications which were received by September 30, 1987, will be processed and evaluated in accordance with the project selection criteria published for FY 1987, current legal requirements, and EDA's revised nonrelocation policy as stated in 13 CFR 309.3, which was published in the Federal Register on June 10, 1987. Those applications not received by EDA by September 30, 1987, must be consistent with the project selection criteria and requirements published in this Notice and submitted on application forms issued by EDA for FY 1988. Applicants whose projects were invited but not submitted to EDA in FY 1987 should obtain FY 1988 application forms from EDA's Regional Offices.

Further Information

For further information contact the appropriate EDA Regional Office (see section X of this Notice).

IX. Program: Guaranteed Loans

(Catalog of Federal Domestic Assistance: 11.301 Economic Development—Business Development Assistance)

Summary

Pursuant to Public Law 89–136 (42 U.S.C. 3142–3246(h)) (Act), EDA is prepared to guarantee up to eighty percent (80%) of the principal and interest of loans to be made to private borrowers for the purchase of fixed assets and/or for working capital purposes for projects located in areas eligible for EDA assistance. EDA loan guarantees are made available to help businesses expand, establish, or maintain operations in both urban and rural eligible areas throughout the Nation. Guarantees offered under this program are made at the discretion of the Assistant Secretary for Economic Development based upon data from the borrower and lender current at the time the guarantee is offered.

Preapplication Procedures

Applicants should contact the appropriate EDA Regional Office Business Loans Division to discuss their proposals. EDA staff will screen proposals before inviting a formal application. Proposals will be evaluated based upon conformance with the following:

1. Statutory requirements contained in the Act;

2. Regulatory requirements contained in 13 CFR Part 306 and 309; and restated in this Notice; and

3. Provisions of Office of Management and Budget (OMB) Revised Circular A-70, dated August 24, 1984 (A-70).

OMB Circular A-70 (Revised) Requirements

All loan guarantees must conform to the requirements of A-70, without exception. The most significant requirements of A-70 are as follows:

1. Loans must be secured by first priority, unsubordinated liens on collateral having value in excess of the full amount of the loan.

2. An annual guarantee fee, payable quarterly, equal to one-half percent of the outstanding EDA contingent liability will be charged. This fee is subject to change at any time prior to approval of a guarantee.

3. Not more than eighty percent (80%) of the principal and the interest on a loan may be guaranteed.

4. The lender must bear a significant portion of the risk of loss on the loan. No other security, guarantees, or any other arrangement that would not inure ratably to EDA for that portion of the loan not guaranteed by EDA will be permitted.

5. No loan directly involved with tax-exempt obligations, such as industrial revenue bonds, will be guaranteed.

Supplementary Information

A. Amount of Funding Available

EDA is authorized to commit up to $150 million to guarantee contingent liability for loan principal in FY 1988, which ends September 30, 1988.

B. Type of Financial Assistance

EDA staff will consider proposals for the guarantee of loans made by private lending institutions to private borrowers to finance the costs of fixed assets or for working capital purposes. EDA staff will not accept applications for projects which involve real estate development for either investment or speculation, or for the refinancing of current debt.

C. Who May Apply

Formal applications will be invited by EDA staff only after review and acceptance of satisfactory project proposals. Applications will be accepted only from private lending institutions (the "applicant") for the guarantee of loans to private business enterprises. EDA's relationship is essentially with the lender applicant, not the borrower.

D. Long-Term Employment

EDA staff will seek to assist in the creation or retention of permanent private-sector jobs in EDA eligible areas. Accordingly, the project for which the applicant seeks financial assistance must be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the eligible area where the project is or will be located.

E. Repayment Ability

The private lender and EDA must find that there is reasonable assurance of repayment of the guaranteed loan.

F. EDA Guarantee Required

No loan will be guaranteed by EDA unless the application is supported by evidence that the financial assistance applied for is not otherwise available to the prospective borrower from either private lenders without a guarantee or from other Federal agencies on terms which, in the opinion of EDA, will permit accomplishing the project. In the event the borrower is a large corporation which would normally have funds available to finance the project, such corporation must certify that it would not locate the proposed project within the EDA-designated area without the benefits of EDA's financial assistance.

G. Relocation

Nonrelocation requirements apply to guaranteed loans under section 202, Title II of PWEDA. EDA's regulations at 13 CFR 309.3 prohibit transferring jobs from one commuting area to another. Certificates of nonrelocation will be required.

General Conditions of Assistance

A. Term of Loan

The term of a guaranteed fixed asset loan cannot exceed the weighted average estimated useful economic life of the project fixed assets, but in no event can the term of such a loan exceed twenty-five (25) years. The term of a guaranteed working capital loan ordinarily may not exceed five (5) years, and the loan should be fully amortized during its term. EDA will not ordinarily guarantee revolving-type or open-end working capital loans.

B. Guarantee Percentage and Interest Rate

Pursuant to A-70, EDA may guarantee up to eighty percent (80%) of the face value of a loan. However, applicants requesting an eighty percent (80%) guarantee will be required to justify why a lesser guarantee percentage would not be acceptable. As a general rule, EDA will not offer to guarantees a loan in excess of the following percentage and interest rates:

1. 80% guarantee—Lender prime rate plus 1.50%

2. 75% guarantee—Lender prime rate plus 1.75%

3. 70% guarantee—Lender prime rate plus 2.0%

4. 60% guarantee—Lender prime rate plus 2.5%

C. Guarantee Fee

Pursuant to A-70, EDA staff will charge the lender an annual guarantee fee, payable quarterly, equal to one-half percent of the outstanding contingent liability. EDA staff reserves the right to change this fee at any time prior to approval of the guarantee.

D. Application Fee

EDA staff may change an application processing fee to cover the costs of application processing and review.

E. Lender's Risk

That portion of the loan not guaranteed by EDA must be at risk to the recipient throughout the term of the loan. This precludes the recipient from obtaining any additional security, guarantee, or compensating balances to separately secure the unguaranteed portion of the loan. This does not preclude normal loan participation arrangements by the lender, provided that any such participation is acceptable to EDA. EDA staff will be obligated to deal only with the recipient, and all participants must be eligible as recipients.

F. Other Lender-Borrower Relationships

When an recipient has other creditor/debtor relationships with the prospective borrower, EDA staff will seek assurances that these relationships will not create conflicts with EDA's interest in the recipient's servicing of the loan for which a guarantee is sought. Ordinarily, EDA staff will not accept an application from an applicant who has existing short-term revolving working capital financing extended to the borrower.

G. EDA Investment Per Job

EDA staff will consider only those projects that have an EDA investment exposure of $20,000 or less per permanent job to be created or saved.

H. Repayment Ability

Only projects that demonstrate reasonable assurance of repayment are eligible to receive EDA financial assistance. The applicant must demonstrate why it is reasonably certain the borrower will be able to repay the loan. As a minimum, the application must include:

1. Applicant's normal detailed credit analysis, including a narrative discussion of company history, management, product, production capability, market conditions, finances, collateral, and repayment ability (with ratio analyses compared to industry standards);

2. Three (3) years' financial statements, audited and certified by a public accountant, if available, or certified by a responsible officer of the prospective borrower; if in operation less than three years, financial statements since inception;

3. Financial statements of the prospective borrower, current within ninety (90) days of the date of the application;

4. Pro forma balance sheets, income and cash flow statements of the prospective borrower on a month-by-month basis for the first year after the loan is made and on a quarterly basis for the next two (2) years; and

5. One copy of the proposed note and loan agreement between the applicant and the prospective borrower with attachments.

I. Adequate Collateral

The lender must perfect and maintain perfected linen against and security interests in collateral adequate to permit full recovery of the loan in the case of default by the borrower. Collateral must be of such nature that repayment of the loan is reasonably assured when considered with the integrity and ability of project management, soundness of the project and borrower's prospective earnings. The applicant must document why it is reasonably certain that adequate collateral coverage exists. Only projects that demonstrate that the full amount of the loan is covered exclusively by an unsubordinated first priority security interest on collateral offered by the borrower will be considered. There will be no exceptions to this requirement. Proof and documentation of collateral coverage shall include but not be limited to current appraisals as to the fair market and liquidation value of the collateral that will support the loan. If the purchase of new machinery and equipment constitutes all or part of the prospective project cost, current cost data for such assets may be submitted in lieu of an appraisal. Where real property is to be pledged as collateral, a description and evidence of ownership must be included with appraisals acceptable to EDA.

J. Guarantees

Unconditional personal/corporate guarantees (of full and timely payment and performance by the borrower) will be required from all persons or entities which hold or control 10 or more percent of the ownership interests in a borrower unless:

1. The borrower has a profitable historical performance of no less than three out of the most recent five years, abundant collateral, adequate cash flow, and meets key industry standards (i.e., Robert Morris Associates);

2. Borrower's stock is so widely held that no one individual/family/entity can exercise control;

3. Borrower's parent, subsidiary, or affiliate that is required to guarantee is legally restricted from guaranteeing, or such guarantee would conflict with other existing contractual obligations of the prospective guarantor.

Cross guarantees may also be required from related corporate entities.

EDA staff will require current (not over ninety days old at the time the application is filed) personal or corporate financial statements signed by the prospective guarantor, and where appropriate and necessary to support the guarantee by the guarantor's spouse, and disclosing community and individual assets and indebtedness when applicable.

K. Equity Requirements

All applications for EDA financial assistance shall be supported by adequate existing and/or proposed equity so as to enhance the success of the proposed project and lessen EDA's potential exposure. The following minimum equity will be required:

1. For guaranteed working capital loans, the prospective borrower must have existing, or must provide, net working capital equal to not less than fifteen percent (15%) of its total working capital needs.

2. For guaranteed fixed asset loans, the prospective borrower must provide an equity investment in the loan project of at least fifteen percent (15%) of the aggregate loan project cost.

3. The prospective borrower must provide twenty-five percent (25%) of the aggregate loan project cost for:

a. New businesses with no operating history;

b. Loans without full personal and/or corporate guarantee of stockholders owning ten percent (10%) or more of the borrower;

c. Energy-related businesses;

d. Ventures which EDA determines to have above-average risk.

L. Feasibility Report

An independent technical, financial, and economic feasibility report by a firm acceptable to EDA will be required for all applications for new ventures involving a total project cost of $1 million or more and for projects involving tourism or recreational facilities. Such a report must be related to the pro forma operating statements associated with the application. Independent feasibility studies may also be required for other applications, as deemed necessary by EDA.

M. Tax-Exempt Obligations

The EDA project cannot share collateral with or include elements financed with tax-exempt obligations, such as industrial revenue bonds.

N. Other Requirements

1. Hazard insurance with a standard mortgage clause naming the lender as beneficiary will be required in an amount at least equal to the lesser of the depreciated replacement value of the property being insured or the amount of the loan.

2. Keyman life insurance, which may be decreasing term insurance, normally will be required for principals and key

employees of the borrower, pledged or assigned to the lender.

Applicant Servicing Responsibilities

A. Upon approval of a guaranteed loan, the applicant's responsibilities shall include, but are not limited to, executing such care and diligence in the disbursement, servicing, collection, and liquidation of the guaranteed loan as would be exercised by a reasonable and prudent commercial lender in dealing with a loan of its funds without the EDA guarantee.

B. In the event of subsequent default on the loan, unless EDA elects otherwise, the applicant will have full responsibility for servicing and liquidating the loan prior to making demand on EDA for payment under the EDA guarantee. EDA shall be obligated to pay that portion of the loan guaranteed after the deduction of all proceeds of the liquidation less reasonable expenses directly attributable to the liquidation. Failure to perform these responsibilities satisfactorily may preclude EDA from honoring its guarantee. EDA staff will examine the applicant's records before honoring any guarantee.

Application Requirements

A. The application shall include the following:

1. A signed statement by the borrower assuring that it will not use the EDA financial assistance to relocate jobs from one area to another or to close facilities involved in the EDA-guaranteed project;

2. Approval of the application by the appropriate agency or instrumentality of the state or political subdivision in which the project is located, together with a signed statement by that local authority that the project is consistent with an Overall Economic Development Program approved by EDA;

3. Full disclosure of the amount and nature of all fees charged to the borrower by the lender, attorneys, agents or other persons to expedite the application. Appropriate fees and charges may include services such as accounting, legal, engineering and appraisals. Packaging and lobbying expenses are not allowable project costs and no proceeds of the loan may be used directly or indirectly for attorneys' or consultants' fees in connection with securing EDA's guarantee. EDA may permit reasonable fees and charges as allowable project costs. EDA will not permit any fees or charges that are contingent upon project approval;

4. An agreement that neither the borrower nor the applicant will employ or retain for professional services any person who on behalf of EDA occupied a position or engaged in activities which EDA determines involves discretion with respect to the granting of the assistance under the Act. This agreement shall remain in effect for two years after EDA grants assistance to the applicant;

5. An application for character/integrity investigation (Name Check Form CD-346) for each officer, the chief financial manager, and for each individual owning or controlling at least twenty percent (20%) of the borrower;

6. Documentation satisfactory to EDA to substantiate that the guaranteed loan will not create unfair competition within the meaning of Section 702 of the Act. Section 702 unfair competition results if the project would increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or facilities to employ the efficient capacity of existing competitive commercial or industrial enterprises. Applicants are encouraged to submit borrower's data for this requirement prior to or within thirty (30) days of receiving authorization to apply for EDA financial assistance to expedite processing of the loan guarantee. Applicants and borrowers should understand that expenses incurred prior to formal offering of a loan guarantee are made solely at the applicant's or borrower's expense.

7. A description of state or local government assistance to the project; and

8. A signed statement by the borrower assuring that (a) real estate provided as collateral is not under notice of environmental violations from local, state or Federal agencies, (b) the real property is not the subject of an environmental impact study, and (c) there are no known violations of Federal, state or local environmental laws or requirements, including, but not limited to, 42 U.S.C. 9601-9657.

B. Loan guarantees are also subject to the following statutes:

1. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251-1376;

2. Davis-Bacon Act, as amended, 40 U.S.C. 276a-276a-5; 13 CFR 309.6;

3. The Architectural Barriers Act of 1954, as amended, 42 U.S.C. 4151-4157; 13 CFR 309.14;

4. The National Environmental Policy Act of 1969, as amended, 42 U.S.C. 4321-4370; CFR 309.18;

5. The National Historic Preservation Act of 1966, 16 U.S.C. 470-470W-6;

6. The Wild and Scenic River Act, as amended, 16 U.S.C. 1271-1287;

7. The Clean Air Act, as amended, 42 U.S.C. 7401-7626;

8. The Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001-4128; and

9. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. 9001-9657.

Application Submission

Proposals should be submitted to the appropriate EDA Regional Office at the earliest possible date, but in no event later than May 30, 1988. Proposals from the Denver region will be processed by the Chicago Regional Office. Proposals received after this date may not be considered during FY 1988. Completed applications for authorized projects should be submitted no later than June 30, 1988. Incomplete applications or applications that do not conform to program requirements will be rejected by EDA.

The EDA Headquarters will review all loans recommended for approval by a Regional Office. Headquarters review will encompass credit as well as program objectives, priorities and interest. All guarantees required approval by the Assistant Secretary of Commerce for Economic Development.

For Further Information Contact

For further information contact the Chief of the Business Loans Division of the Regional Office that services your state (see section X of this Notice). In the case of projects located in the Denver region, the Chicago Regional Office Business Loans Division Chief is the appropriate contact.

X. EDA Regional Offices

The EDA Regional Offices and the states they cover are: Philadelphia Regional Office, Liberty Square Building, 105 South 7th Street, First Floor, Philadelphia, Pennsylvania 19106, telephone: (215) 597-4603; serving Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virginia, Virgin Islands, and West Virginia.

Atlanta Regional Office, Suite 750, 1365 Peachtree Street, NE, Atlanta, Georgia 30309, telephone: (404) 347-7401; serving Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

Denver Regional Office, Suite 300, Tremont Center, 333 West Colfax Avenue, Denver, Colorado 80204, telephone: (303) 844-4714; serving Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah, and Wyoming.

Chicago Regional Office, Suite A-1630, 175 West Jackson Boulevard, Chicago, Illinois 60604, telephone: (312) 353-7706; serving Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

Seattle Regional Office, Suite 1856, Jackson Federal Building, 915 Second Avenue, Seattle, Washington 98174, telephone: (206) 442-0596; serving Alaska, American Samoa, Arizona, California, the Commonwealth of the Northern Mariana Islands, Guam, Hawaii, Idaho, Nevada, Oregon, and Washington, the Federated States of Micronesia, and the Republic of the Marshall Islands.

Austin Regional Office, Suite 201, Grant Building, 611 East Sixth Street, Austin, Texas 78701, telephone: (512) 482-5461; serving Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.

January 8, 1988.

Orson G. Swindle III,

Assistant Secretary for Economic Development.

[FR Doc. 88-845 Filed 1-15-88; 8:45 am]

BILLING CODE 3510-24-M

Mr. Savage. Let me thank you for accepting our invitation and the responses you have made to the questions that have been presented.

With that, unless there are other questions, this hearing is adjourned.

[Whereupon, at 12:25 p.m., the subcommittee adjourned, to reconvene at the call of the Chair.]

QUESTIONS FOR ORSON G. SWINDLE, III
ASSISTANT SECRETARY OF COMMERCE FOR ECONOMIC DEVELOPMENT
EDA OVERSIGHT HEARING
MAY 11, 1988

UNIVERSITY CENTER PROGRAM

1. Please provide a list of University Centers funded by EDA in FY 1987 indicating which, if any, were newly added and those which are historically Black colleges and universities, and a similar list for FY 1988.

6/7/88

EDA University Centers

		FY 1987 Funding	FY 1988 Funding To Date
AL	Auburn University, Auburn, AL	X	X
AK	University of Alaska, Juneau, AK	X	
AR	University of Arizona, Tucson, AZ	X	
CA	California State University, Chico, CA	X	
	University of Southern California, Los Angeles, CA	X	
CO	University of Colorado, Boulder, CO	X	X
FL	Florida State University, Tallahassee, FL	X	X
GA	Atlanta University, Atlanta, GA (HBCU)	X	
	Georgia Institute of Technology, Atlanta, GA	X	X
HI	University of Hawaii, Honolulu, HI	X	X
ID	Boise State University, Boise, ID	X	X
IL	University of Illinois, Chicago, IL	X	
IN	Indiana University/Purdue University, Indianapolis, IN	X	
IA	Iowa State University, Ames, IA	X	X
KY	University of Kentucky, Lexington, KY	X	X
LA	University of New Orleans, New Orleans, LA	X	
	Xavier University, New Orleans, LA (HBCU)	X	
ME	University of Southern Maine, Portland, ME	X	X
MA	University of Massachusetts, Amherst, MA	X	
MI	Michigan State University, Lansing, MI	X	
	University of Michigan, Ann Arbor, MI	X	
MS	Mississippi Research & Development Center, Jackson, MS	X	X
	Mississippi Valley State University, Itta Bena, MS (HBCU)	X	
MO	University of Missouri, Columbia, MO	X	
MT	Montana State University, Bozeman, MT	X	X
NE	University of Nebraska, Lincoln, NE	X	

		FY 1987 Funding	FY 1988 Funding To Date
NH	University of New Hampshire, Durham, NH	X	X
NJ	Rutgers, The State University, Newark, NJ	X	
NM	University of New Mexico, Albuquerque, NM	X	X
NY	State University of New York, Plattsburgh, NY	X	X
NC	Western Carolina University, Cullowhee, NC	X	X
ND	North Dakota State University, Fargo, ND	X	X
OH	Cleveland State University, Cleveland, OH	X	
OK	East Central University, Ada, OK	X	
OR	Eastern Oregon State College, LaGrande, OR	X	
PA	Pennsylvania State University, University Park, PA	X	X
PR	University of Puerto Rico, Mayaquez, PR	X	
SC	Benedict College, Columbia, SC (HBCU)	*	X
TN	Memphis State University, Memphis, TN	X	
TX	University of Texas, San Antonio, TX	X	X
VA	Hampton University, Hampton, VA (HBCU)	X	
WA	Washington State University, Pullman, WA	X	
WV	Marshall University, Huntington, WV	X	
WI	University of Wisconsin - Stout, Menomonie, WI	X	

*Benedict College extended its FY 1986 grant through FY 1987.

Historically Black Colleges and Universities (HBCUs) participating in the University Center Program are Atlanta University, GA; Xavier University, LA; Mississippi Valley State University, MS; Benedict College, SC; and Hampton University, VA.

In FY 1987 new University Centers were started at Michigan State University and Eastern Oregon State College. No new University Centers have been started to date in FY 1988.

SECTION 203 - REVOLVING LOAN FUND

1. Since its inception, this fund has received a great sum of money in loan pay backs, plus interest. However, the fund has been used for a number of purposes over the years. The Committee requests, for the record, a full accounting of the Section 203 fund, specifically:

(a) the total amount paid into the fund since its inception;

(b) an item-by-item account of any withdrawal of funds giving the amount and purpose of each withdrawal;

(c) the total pay-out for direct EDA loans, not including Trade Assistance, Drought Relief, steel loan guarantees or other non-traditional EDA programs administered by the Agency.

ANSWER

1(a) The total amount paid into the fund is $1,477,551,000.

1(b) Withdrawals from fund: $1,272,336,000
($509,352,000 - interest)
($762,984,000 - care and protection)

1(c) Total paid out for direct EDA loans: $507,713,000

TITLE IX - REVOLVING LOAN FUND (RLF) CAPITALIZATION GRANTS

Question

1. EDA has made some major additions to the terms and conditions for these RLF grants, including restrictions on the amount of capital not currently loaned out. Therefore we would like to know:

--How did EDA arrive at these new requirements and were those grantees affected given an opportunity to review and comment before the rules were imposed?

--Does the Interim Rule on adjustment grants contained in the April 15, 1988 Federal Register affect this? Please summarize for the record the purpose and intent of the April 15, Interim Rule.

Answer

Establishment of a policy restricting the amount of capital that an RLF grantee may keep on hand was prompted by our concern that a number of RLF grantees have been holding far more uncommitted funds than appeared needed to cover anticipated loan closings. The problem first came to light when the Office of the Inspector General (OIG) audited at our request two RLFs that were apparently inactive and holding large amounts of uncommitted funds. The OIG went on to audit a larger sample of RLFs to determine the extent and severity of the problem (report attached), while we simultaneously worked to fill this obvious policy vacuum.

To the extent that a grantee does not have the maximum possible amount of its capital in circulation, it is clearly failing to meet the objectives of the program. As failing to meet the objectives of the program is a basis for terminating the grant, it was imperative that we define clearly the amount of capital that should be in circulation for performance to be rated satisfactory, or conversely, define the maximum amount of uncommitted funds that can be held without compromising the objectives of the program.

From simulations of probable repayment and relending patterns, we determined that there was no reason why a properly managed RLF should need to keep more than 25% of its total capital uncommitted. However, recognizing that this could happen occasionaly, for example if a particularly large loan was anticipated, we softened the restriction by permitting in excess of this limit to be held for up to six months before the grantee would be found in violation of the policy. Because we proposed to institute this limitation as a program policy not a rule, which gives us more flexibility in applying it in atypical situations, we did not go through a formal review and comment process. However, our regional staff did consult with a number of grantees before it was implemented. The concensus was that it would not pose a serious burden on them. In fact the majority of grantees report holding uncommitted funds well below the limit.

The purpose of the Interim Rule on adjustment grants printed in the April 15, 1988 Federal Register is to clarify the legal rights and obligations of parties involved in RLF projects so that a substitute grantee could serve as trustee should the initial grantee be unable to operate the RLF. It does not affect the new policy on excess retention.

[NOTE: Audit report of RLF's by Office of Inspector General is being held in subcommittee files.]

TITLE IX - REVOLVING LOAN FUND (RLF) CAPITALIZATION GRANTS (cont'd)

2. The Mt. Auburn Associates study on Revolving Loan Funds seems to be generally favorable toward this program. Yet, the Inspector General is making another study of the program--its fourth since 1980. Why is it necessary for the Inspector General to study the program again?

ANSWER

The Mount Auburn study examined RLF's that made loans from 1982-1984. The office of Inspector General (OIG) will look at RLF grants made through fiscal year 1986. In addition, the OIG will look behind the data provided by RLF grantees/borrowers, something that was not done by Mt. Auburn.

Question

3. How many RLF grants were made in FY 1987 as well as to date in FY 1988? Please indicate the number of previous and new recipients as well as the number of grants in rural and urban areas.

Answer

There were 34 RLF grants made in FY 1987. Twenty-six of these grants were to establish RLFs, eight were to recapitalize existing RLFs. Twenty-six of the RLFs serve rural areas, seven serve urban areas and one serves both urban and rural areas.

Through May 30, there have been 23 RLF grants awarded in FY 1988. Fourteen of these are new, nine are recapitalizations. Five serve urban areas, seventeen serve rural areas.

RLF Program by Select Characteristics

	Urban Grants/Avg. Amt.		Rural Grants/Avg. Amt.	
FY 87*				
New Grants	6	$234,000	19	$433,000
Recaps	1	$225,000	7	$275,000
FY 88				
New Grants	4	$375,000	10	$455,555
Recaps	1	$300,000	8	$281,250

*One grant serves both urban and rural areas.

EDA LOAN PROGRAMS

1. Not counting any Trade Adjustment Assistance loans that might have been transferred from the International Trade Administration this year, how many loans are currently outstanding?

ANSWER

As of May 31, 1988, EDA was servicing 299 active outstanding loans in its business loan portfolio.

EDA LOAN PROGRAMS (cont'd)

2. You stated that the Department has been unable to meet its debt collection goals relating to the public sale of loans because of the restriction that appropriated funds cannot be used to sell to private interests loans made by EDA or guarantees acquired by EDA, except with the consent of the borrower (the McDade Amendment). Despite the McDade Amendment, did you sell any of the loan portfolio and, if so, please identify them and how much was received?

ANSWER

The Omnibus Budget Reconciliation Act of 1986 (pub. l. 99-509) directed the "Secretary of Commerce to sell sufficient defaulted notes so as to realize net proceeds of not less then $50,000,000 during fiscal year 1987."

Even with the restriction of selling only defaulted notes and McDade, EDA was able to collect $27,323,000 or %55 of the target during FY 87. This amount represents the sale of 22 loans with the largest loan selling for over $7,000,000. The Privacy Act restricts EDA from identifying the names of the loans in this response.

3. Were there any foreclosures?

ANSWER

During FY 87 EDA initiated foreclosure actions in two defaulted loan cases. Two other EDA loans were also subject to foreclosure action. However, the action was initiated by the first lien holder, EDA holding a second lien.

4. You also stated that the Department's Legislative Program for this Session contains a proposed legislative repeal of the McDade Amendment and that EDA would like to issue regulations allowing the sale of its loans and guarantees, "whether or not in default and regardless of amount to be realized". By this do you mean that you would sell perfectly good loans that are bringing money back to the Government for considerably less than the original loan amount---in other words, creating a deliberate loss of money to the Government? On what grounds would you justify such action?

ANSWER

EDA would not sell any loans for the purpose of "creating a deliberate loss of money to the government." Any EDA sale would be conducted using OMB/Treasury guidelines for the sale of government assets. In selling a loan, EDA would calculate the present value of a loan, while factoring in administrative costs and a risk variable. In other words, the amount of the sale would be comparable to the loan's "Expected Net Present Return Value."

LIENS

1. You spoke of efforts to protect EDA's interests in situations where EDA grant recipients violate the terms of their grants and you discussed a proposal to acquire liens on property purchased or improved with EDA grants funds. Has EDA, to date, made any attempt to impose such a condition on any grant applicant? If so, with what results?

ANSWER

For the last two years, EDA has required public works grantees to execute, in favor of EDA, a first priority unsubordinated lien against, or security interest in, real property acquired or improved with EDA grant funds. A copy of the Assistant Secretary's memorandum of June 10, 1986, calling for a special condition in each grant agreement to that effect, and providing for exceptions by the Assistant Secretary, is attached. Such liens or security interests have been obtained for almost all public works grant awards in the last two years. EDA has had no occasion to date to attempt foreclosure of any such lien or security interest.

UNITED STATES DEPARTMENT OF COMMERCE
Economic Development Administration
Washington, D.C. 20230

JUN 10 1986

MEMORANDUM FOR Regional Directors
Regional Counsel

FROM: Orson G. Swindle, III
Assistant Secretary
for Economic Development

SUBJECT: Property Management Requirements -
Special Condition

EDA has recently faced the probability in a number of cases that facilities acquired or improved with EDA grant funds, will be lost by the grantees as the result of foreclosures. In some instances, EDA has granted mortgage waivers; in others, the grantees granted mortgages without coming to EDA for our consent. In either instance, when faced by a threat of foreclosure, EDA has little or no legal recourse other than to sue the grantee, which does not necessarily prevent foreclosure.

In order to reduce the chances of repeated losses of this type, EDA will from now on require grantees to grant to EDA a first priority lien (or security interest) against the property acquired or improved with the EDA grant funds. This is being done under the terms of EDA's regulation found at 13 C.F.R. §314.6 which requires grantees to execute a recorded document satisfactory to EDA in which the grantee agrees to use the property for the approved purpose of the project during its useful life.

This regulation will be revised in the near future to specify that the document must be a mortgage (or its equivalent). The existing language of the regulation exempts:

(1) facilities not susceptible of being used for other purposes and

(2) facilities where the EDA investment is only a small part of the project as a whole.

Exemptions will be granted only by the Assistant Secretary, and only at the time of project approval.

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In some jurisdictions, grantees may not be legally empowered to create liens against public property which they own. A grantee which claims to be so restricted must present an opinion of counsel, acceptable in form and substance to EDA, which clearly establishes that it lacks the capacity to create liens against the facility.

The following special condition must be included in all offers of grant (other than those described above):

> Grantee expressly agrees to grant to EDA a first priority unsubordinated lien against, or security interest in, the property acquired or improved in whole or in part with the funds made available through this Offer of Grant. This lien or security interest must be perfected in accordance with local law. EDA will in its sole discretion determine whether the lien or security interest which has been granted to EDA is satisfactory, and it may require an opinion of counsel for the grantee to substantiate that the lien or security interest has been properly recorded.
>
> Grantee further agrees that in the event that it alienates in any manner,-any interest in the real property acquired or improved with EDA grant funds, EDA shall be entitled to recover damages. EDA's regulation at 13 C.F.R. §314.4 provides that upon disposition of property acquired or improved with EDA grant funds, EDA shall be entitled to a recovery based upon the ratio of the percentage of EDA's participation in the total cost of the project to the fair market value of the property at the time of the disposition. For the purposes of the lien, the amount of EDA's damages shall be the full amount of EDA's grant, plus interest from the date of the disposition.
>
> This lien must remain in effect through the useful life of the project as defined in 13 C.F.R. §314.6(a).
>
> -Alienation shall include but not be limited to sale, lease, rent, option, or mortgage.

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2. Prior to EDA's drafting the regulations you mentioned in your statement, was any research done to determine whether such a rule would violate any State statutes or Constitutions?

ANSWER

No. EDA is, of course, aware of variations from state to state as to whether, and how, governmental and nongovernmental organizations may transfer or encumber real property interests. In the extraordinary case where applicant demonstrates the impossibility of its obtaining statutory authority to execute a lien or security interest requires the grantee to file an appropriate covenant. In addition, in suitable circumstances, the Assistant Secretary may approve, in lieu of a first priority unsubordinated lien, EDA's obtaining subordinated or shared priority lien or security interest.

3. Does revised OMB Circular A-102, in fact, require liens on such grants?

ANSWER

No. OMB Circular A-102, as revised in 1981 and in effect through March 10, 1988, was silent on the subject, leaving it to each agency to determine whether to impose additional requirements upon governmental grantees. For nongovernmental grantees, revised OMB Circular A-110, presently in effect, is similarly silent on the subject, with similar agency discretion.

This is a time of transition for Federal administrative requirements concerning grants and cooperative agreements. Former OMB Circular A-102, and present OMB Circular A-110, are directed to grantees, advising them of the Federal requirements for grants administration. Newly revised OMB Circular A-102, published in the Federal Register on March 11, 1988 [53 FR 8029-8032] is directed to Federal Executive agencies; directions to grantees are contained in new "common-rule" regulations, promulgated by each agency. [See 53 FR 8033, et seq., March 11, 1988.] The Department of Commerce has promulgated regulations, scheduled to take effect October 1, 1988, which will be published in the Code of Federal Regulations, at 15 CFR Part 24. [See 53 FR 8048, et seq., March 11, 1988.] (For the remainder of fiscal year 1988, EDA grants to state and local governments will be covered by the January 1981 version of OMB Circular A-102.)

The Department of Commerce regulations, at 15 CFR 24.31(b)(1), provide:

> The Federal awarding agency may require the placing of appropriate notices of record to advise that property has been acquired or improved with Federal financial assistance, and that use and disposition conditions apply to the property. (53 FR 8049, March 11, 1988.)

OMB is presently considering modifications to the common rule regulations, incorporating some changes to the provisions published in March, and adding provisions to cover nongovernmental grantees (which are now covered by OMB Circular A-110). We understand that such proposed modifications will be published soon for public review and comment, and that a final version will amend the currently published common rule regulations so they can take effect, in amended form, on October 1, 1988.

The Department of Commerce has recommended, and OMB is presently considering, an added section in the common rule regulations which would provide that as to grant property the Federal awarding agency "may require the placing of liens or other appropriate notices of record."

4. When there is a breach of a grant agreement, why doesn't EDA turn the matter over to the Justice Department for disposition?

ANSWER

EDA does exactly that. It is EDA's past experience in pursuing claims and addressing grant agreement violations, generally with the full cooperation of the Justice Department, which has led us to require liens to better protect grant property which has been improperly transferred or encumbered by grantees.

EDA has found that without a recorded lien against, or security interest in, real property acquired or improved with EDA grant funds, the Federal interest in such property may be compromised or lost. Prior to the introduction of the lien requirement two years ago, for most public works grants EDA used property management agreements, executed by grantees and recorded in the county records, under which grantees agreed not to transfer or encumber the real property without EDA's consent. Even with property management agreements, there are situations in which agreements of record are not noticed by a prospective mortgagee or transferee (or, in at least one case, by a title insurance company). There have been resulting misuses of property. In these cases, officials of the grantee organizations "forgot" there were prohibitions against the unauthorized sale or mortgaging of grant property, or remembered the restrictions, but believed they could be ignored. Attempts to recover from the grantee the Federal share of the grant property, often some years after the property was misused, have proven difficult at best, and often impossible where the grantee is insolvent.

There are other cases in which property management agreements may be of limited utility. Courts familiar with mortgages and deeds of trusts are often not familiar with the concept of a property management agreement. Courts may therefore, in the foreclosure of mechanics liens, or other statutory liens, against property acquired or improved with Federal grants, not recognize a compensable Federal interest. This is a particular problem in bankruptcy proceedings where, without a lien or other security instrument, EDA's interests in grant property may be considered inferior even to unsecured claims against the insolvent grantee. For these reasons, we believe EDA's lien requirements are necessary.

In its continuing efforts in this area, EDA is seeking added statutory authority to take necessary administrative actions to protect grant property, just as EDA now does to protect property used as collateral for loans and loan guaranties. Legislation is needed, for instance, to permit EDA to pay for such items as appraisals and essential repairs of misused grant property.

We believe that with such new statutory authority, our strengthened grant agreement provisions, and our current determination to protect the Federal interest in the real property assets of public works grants, EDA can better assure the integrity of its programs.

GENERAL QUESTIONS

1. Q. We understand that EDA is planning to revise the preapplication and application forms for its development facilities grant program and that, in a letter dated May 5, 1988, several economic development district executive directors and others were asked to review and comment on draft forms. Would you please provide a summary of the proposed revisions, including the reasons for them?

A. In the March 11, 1988, issue of the Federal Register, OMB announced the final Common Rule of its updated Circular A-102, which must be adopted by Agencies.

The revised Circular substantially changes the format for application and preapplication forms by eliminating most of OMB's preexisting 'standard' questions. OMB will require mandatory use of a new front page, budget pages, assurances and instructions for those pages. Agencies must design the balance of the forms to meet the statutory and programmatic requirements for their particular programs. Since OMB authorization for EDA's existing public works forms is scheduled to expire on September 30, 1988, EDA has a relatively short time to complete work on its new forms before submitting them to the OMB approval process which takes approximately three months.

Changes shown in the new forms proposed by EDA and distributed for comments resulted from one or more of the following fundamental criteria:

1. Ask applicants to provide information only one time by consolidating similar questions and not duplicating questions asked in the preapplication and application.
2. Do not ask for information that EDA already has or can get from other federal sources.
3. Eliminate questions that do not specifically address statutory or programmatic requirements and rewrite questions that have resulted in less than satisfactory responses in the past.
4. Consider adding new questions only where past experience has shown that EDA's regional offices have had to request specific information not shown on the old forms in order to complete processing of an application.

Approximately 28 individual questions, exhibits or sections have been eliminated and four new questions or exhibits added. In addition, a number of the old questions and instructions have been rewritten to elicit more useful responses from applicants.

ED-101P Preapplication

The revised form will have the new mandatory front page and assurances prescribed by OMB.

The Agency Special Instructions have been expanded to inform applicants that the preapplication information will not have to be repeated if a full application is invited and to caution applicants about potential conflict of interest situations. Recent OIG audits have identified potential conflict of interest situations in past projects.

The old OMB questions which are no longer necessary have been eliminated.

The revision proposed incorporating the new OMB budget form in the preapplication in place of the summary budget which had been used before. However, in response to public comments that the proposed new budget requires too much detailed information for the preapplication stage, EDA will likely reinstate the old preapplication budget and use the new OMB version only in the full application form.

The old preapplication questions regarding the applicants economic development process and OEDP were eliminated because that information is available directly to the agency apart from the grant application process. Within EDA, it is the responsibility of the Economic Development Representative to monitor the various economic development processes within their areas and review and make recommendations regarding the OEDP's. The OEDP items have therefore been removed from the application forms but remain a required part of EDA's project review process.

The question regarding job creation and investment projections previously used two forms which have been replaced by one simpler form and an expanded question.

For the proposed preapplication, new questions have been included regarding enterprise zones and federal debarment.

Generally, the revised preapplication has been reorganized to establish section headings and a numbering system that will correspond with the new application form.

ED-101A Application Form

The new first page, assurances, and budget page now prescribed by OMB will be used.

The Agency Special Instructions have been updated and, as with the preapplication, the old OMB questions which are no longer required, have been eliminated.

A number of questions which were previously asked in the preapplication have been eliminated and some questions were eliminated by consolidating with other like questions.

For the proposed application, new questions or exhibits have been included to ask for information about appraisals for land or other real property that are included as a part of the project and EDA's nonrelocation certification which had previously been a separate form from the application.

As with the preapplication, the application form has been generally reorganized with new section headings and a new numbering system that begins where the preapplication ends.

2. Please provide the following data about EDA grant programs for inclusion in the record of the hearing:

A. -- Tables listing the FY 1987 grant program projects approved, including a list of individual grants, similar to those provided and included in the EDA oversight hearing of April 29, 1987.

B. -- A copy of your November 5, 1987 Memorandum to Regional Directors which provides guidance for the FY 1988 grant programs.

C -- A summary of FY 1988 grant approvals to date by State and by program.

D. -- A summary of rural/urban approved public works projects to date for FY 1988.

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FY 1987: Approved Projects

PROJECT NUMBER	ST	EDIT NO	APPLICANT	DESCRIPTION	EDA $	TP $	APPROVED	
010102810	DE	7	KENT COUNTY	KENT CO.IND.PARK	607750	1215500	021987	
010102796	MD	17	WASHINGTON CO. COMMISSIO	IND. PARK RAIL SPUR	505600	632000	033087	
010102871	MD	18	BALTIMORE. MAYOR & CITY	INFRASTRUCTURE RESERECH	750000	2000000	071387	
010102822	ME	28	PENOBSCOT INDIAN NATION	MANUFACTURING PLANT EXP	784500	784500	103086	
011102877	ME	29	FORT KENT. TOWN OF	UPGRADE SEWAGE TREATMENT	460000	575000	060987	
010102797	NJ	33	BPUM IMPACT CORP	IND PARK EXPANSION	850000	1073250	012087	
010102876	NJ	168	TOWNSHIP OF HAMILTON	INDL PARK EXP	1000000	1700000	091687	
010102896	NJ	275	COUNTY OF CAPE MAY	FISHERIES BLDG CONV.	1000000	4000000	082487	
011102793	NJ	35	CITY OF BAYONNE	ROAD DRAINAGE/RECONSTRUC	450000	750000	031987	
011102874	NJ	36	CITY OF TRENTON	INDL STREET RECONSTRUCTN	1000000	1330000	073187	
010102866	NY	42	CITY OF UTICA	UTICA BUSINESS PARK .	850000	2426000	060387	
010102875	NY	43	VILLAGE OF COBLESKILL	WASTEWATER SYSTEM EXPANS	900000	1800000	092287	
010102885	NY	44	CITY OF GENEVA	LAFEFRONT INFRAST IMPR	1000000	1700000	070687	
010102898	NY	225	TIOGA COUNTY I D A	WTR/SWR LINES TO INL ARE	1000000	2000000	092387	
010102902	NY	277	FULTON COUNTY IDA	50 ACRE INDL PARK	892480	1115600	082587	
011102878	NY	169	CITY OF NIAGARA FALLS	IND AREA INFRASTRUCTURE	480000	800000	051987	
010102834	PA	49	MID-CAMERON AUTH.	PHILIPS MULTI-TENANT CTR	480000	600000	103186	
010102840	PA	50	POTTER CO. RED. AUTH.	INDL. PARK DEV.	500000	666000	102886	
010102865	PA	56	LEHIGH VALLEY IND PK INC	INDL/OFFICE PARK	884000	1474100	060387	
010102868	PA	53	DUBOIS.CITY OF	UPGRADE SEWAGE TREATMENT	1000000	4362600	060987	
010102897	PA	226	LAWRENCE TWP. IP AUTH.	WTR/SWR LINES (INDL DEV)	634852	793565	072187	
010102843	PR	61	CVSPR (PONCE)	IND OPER/SKILL TRNG CTR	750000	1000000	081387	
010102873	PR	60	RURAL DEV. CORP.	RURAL INFRASTRUCTURE	584000	730000	052787	
011102833	PR	59	COAMO. MUNCI. OF	ACCESS IMPR TO FARMS	1000000	1250000	021987	
011102838	PR	62	AGRIC SVC ADMIM (ASA)	MARKETINP PRG - 4 BLDGS.	600000	750000	032087	
011102842	PR	63	PENUELAS. MUNC.	FARM ACCESS ROADS/PHASE2	1000000	1250000	021987	
010102830	RI	65	ST. OF RHODE ISLAND DEM	PORT OF GALILEE IMPR	809000	2381550	032787	
010102862	VA	67	CITY OF WAYNESBORO	INDL PK DEV (30 ACRES)	530000	960000	060387	
010102869	VA	66	TOWN OF PULASKI	WATER SYSTEM UPGRADE	600000	2229000	051287	
010102839	VT	70	BELLOWS FALLS ADC	SEWER LINES/LAND/RAIL	420000	840000	030287	
010102883	WV	157	BRIDGEPORT. CITY OF	WATER IMPROVEMENT	616000	770000	071787	
010102899	WV	72	WV BOARD OF REGENTS	APPLIED TECH&TRNG CTR	428800	536000	091687	
010102900	WV	194	SUMMERSVILLE. CITY OF	WTR/SWR IMPR	1000000	2480000	082487	
010102905	WV	279	MERCER CNTY	WTR LINE / STORAGE TANK	525344	657000	091687	
04010341480	AL	158	JASPER.CY/JASPER UTIL BD	IND PARK IMPROV	467783	1501930	032687	SPECIAL PROJECT
040103439	AL	79	BRUNDIDGE/IND DEV BD	WTR/SWR IMPROVEMENTS	438000	876000	102886	
040103452	AL	160	GREENSBORO. CITY OF	SEWAGE TRTMNT FAC IMPROV	720000	1200000	012087	
040103482	AL	215	HUGULEY WATER SYSTEM	WTR SYS IMPROVEMENTS	712245	1187075	072787	
040103495	AL	282	COLLINSVILLE WTR WKS BD	WTR MN.PMP STA.STRG TNK	520000	1300000	091887	
040103496	AL	283	DOUGLAS WTR/FIRE AUTH	GRND WTR SOURCE&WTR LNS	375000	625000	072187	
040103508	AL	368	ASHLAND WTR WKS & SWR BD	EXP SWR TRTMNT PLT	529200	882000	080787	
040103512	AL	312	GOOD HOPE TOWN OF	WSTWTR COLL & TRTMNT SYS	500000	2750000	081487	

PROJECT NUMBER	ST	EDIT NO	APPLICANT	DESCRIPTION	EDA $	TP $	APPROVED
040103507	FL	325	MARIANNA CITY OF	IND PK UTILITIES	1664460	2774100	091687
041103437	FL	161	GRETNA, TOWN OF	IND PARK INFRASTRUCTURE	500000	1000000	012087
040103453	GA	171	WAYCROSS CITY OF	IND PK WTR SYS EXP	330000	550000	032087
040103500	GA	326	CLAYTON CITY OF	CONST WSTWTR TRTMNT PLT	500000	1125300	082487
040103502	GA	315	TRENTON/DADE COUNTY	WATER TREATMENT PLANT	1114104	1856841	081287
040103504	GA	219	LUDOWICI&LONG CO BD COMM	EXT SWR LNS	56420	80600	072987
040103522	GA	383	LINCOLNTON CY/LINCOLN CO	EXT WTR LN TO IND	683200	854000	091687
041103493	GA	217	SPARTA CITY OF	REHAB SEWER SYSTEM	245140	306425	071787
040103457	KY	173	TAYLORSVILLE CITY OF	EXT&IMPRV WTR DIST SYS	700000	1000000	060387
040103463	KY	172	WILLIAMSTOWN CITY OF	WASTEWATER TREATMENT PLT	572550	1145100	042987
040103513	KY	327	CADIZ/TRIGG CO IND DEV	WTR/WSTWTR FAC EXP	1320200	1886000	080587
040103418	MS	80	BOLIVAR COUNTY	DEV ID SITES,STRG PAD	900000	1500000	103086
040103444	MS	175	JACKSON COUNTY PORT AUTH	DEV IND PK FOR LIGHT IND	750000	986700	041487
040103490	MS	308	WARREN COUNTY	WTR TNK,SWG LAGOON,AC RD	1450000	4000000	072487
040103501	MS	267	COLUMBUS/LOWNDES CO OF	WTR/SWR:RVRSIDE ID PK	435000	870000	082687
040103515	MS	354	RIPLEY/TIPPAH COUNTY	AC RD,WELL,WTR/SWR LINES	260000	520000	093087
040103340	NC	176	CRAVEN COUNTY	SWR TRANSPORT,MN,SWR OUT	375000	625012	061787
040103458	NC	178	ROANOKE-CHOWAN TECH COLL	INDUS SKILL TRNG BLDG	608000	2471000	071387
040103459	NC	177	CANTON TOWN OF	2 WTR STRG TNKS,LNS	341200	902000	050787
040103516	NC	373	LEE COUNTY OF	STRG & DIST SYS	800000	1600000	092287
040103518	NC	379	RAEFORD CITY OF	WSTWTR,WTR FAC IMPRVMNTS	457200	762000	083187
040103341	SC	179	NEWBERRY CO/WTR/SWR AUTH	EXT WTR DIST LNS,SWR PLT	686000	1715000	082787
040103447	SC	163	LATTA,TN & DILLON CO	SWR LN TO ID PK	226400	283000	122286
040103454	SC	164	SANTEE,TOWN/PUB SER DIST	WSTWTR SYS EXP&COLL LNS	730000	1460000	012087
040103476	SC	195	CHESTER COUNTY OF	WTR/SWR/RD IMP:ID PK	300000	500000	061787
040103492	SC	341	MANNING CITY OF	EXP WSTWTR TRTMNT PLT	988000	1770000	092987
040103499	SC	340	MULLINS CITY OF	SWR SER:U.S. 76 BUS CORR	428040	1476000	081487
040103506	SC	370	GAFFNEY BD PUB WKS	WSTWTR TRTMNT PLTS	600000	2146452	083187
040103511	SC	337	SUMTER CITY OF	INS SAN SWR/STRM SWR	699000	1165000	082487
040103445	TN	165	STEWART/HOUSTON CO ID BD	EXPANSION OF IND BLDG	150000	250000	030987
040103465	TN	81	CLINTON, TOWN OF	WASTEWATER COLL SYS	492000	1010000	040787
040103491	TN	180	HANCOCK COUNTY	ADDITION TO ID BLDG	440000	550000	072187
041103441	TN	166	HAMILTON COUNTY	RENOV BLDG:INCUBATR FAC	393250	605000	012087
041103498	TN	316	MCKENZIE IND DEV BD	CONST IND BLDG:ID PK	790300	1129000	090187
051102293	CO	394	LAKE COUNTY	IMPROVE COOPER SKI AREA	200000	250000	080387
050102237	IA	84	CITY OF OSCEOLA	WATER & SEWER IMPVMTS.	600000	1458740	103086
050102267	IA	85	CITY OF CRESTON	IND. PK. SEWER IMPROVEMN	368000	1086000	070687
050102258	KS	181	CITY OF CHANUTE	INDUSTRIAL ROAD IMPROVEM	742200	1237000	061787
050102274	KS	247	CITY OF ATCHISON	INDUSTRIAL PARK IMPROV.	100000	200000	080787
050102280	KS	318	LABETTE COMM. COLLEGE	DEVELOP BUSINESS INCUB.	300000	500000	072287
050102281	KS	304	CITY OF INDEPENDENCE	INDUSTRIAL PARK IMPROV.	293400	489000	071387
050102302	KS	416	CITY OF LIBERAL	CITY SEWER IMPROVEMENTS	800000	1714500	092287

PROJECT NUMBER	ST	EDIT NO	APPLICANT	DESCRIPTION	EDA $	TP $	APPROVED
050102252	MO	86	CITY OF ST. JOSEPH	INDUSTRIAL ROAD CONSTR	650000	2369000	010987
050102264	MO	197	KANS.CITY CORP.IND.DEV.	INDUSTRIAL REDEVELOPMENT	216000	360000	091687
050102288	MO	330	CITY OF TRENTON	RAW WATER STORAGE FACIL.	119880	199800	073087
050102291	MO	329	CITY OF BETHANY	WATER SYSTEM IMPROVEMENT	360000	600000	080387
050102300	MO	338	BLACK ECONOMIC UNION	CONSTRUCT 2 IND. BLDGS.	256500	513000	091887
051102278	MO	248	OZARK FOOTHILLS R.P.C.	REGIONAL BUSINESS INCUB.	560000	700000	091687
051102294	MO	389	CITY OF HAYTI HEIGHTS	STREET & DRAINAGE IMPROV	450000	674400	090187
050102246	MT	87	FLATHEAD TRIBE	CONST SAWMILL AND EQUIP	355000	710000	110786
050102277	MT	249	ASSINIBOINE & SIOUX TRIB	INDUSTRIAL BUILDING	316000	632000	081987
050102283	MT	288	TOWN OF STEVENSVILLE	IND. BUILDING AND WATER	247200	412000	082587
051102260	MT	88	GLEN LAKE IRRIGATION DIS	THERRIAULT CREEK SYPHON	136000	170000	061787
051102269	MT	198	SANDERS CO. WATER DIST.	WATER SYSTEM IMPROVEMENT	185000	835000	061987
051102271	MT	199	CITY OF HARDIN	CONST WATER TREAT. BLDG.	167000	334000	061987
051102279	MT	200	CITY OF HARLEM	WATER SYSTEM IMPROVEMENT	348000	580000	060987
051102289	MT	355	CITY OF PINESDALE	WATER SYSTEM IMPROVEMENT	328105	656210	072187
050102263	ND	183	DEVILS LAKE SIOUX TRIBE	CONST INDUSTRIAL BLDG.	400000	1358400	072887
050102275	ND	250	CITY OF PARK RIVER	CONST PRODUCTION FACILIT	278000	556000	081987
050102304	ND	427	MERCER COUNTY	IND PARK WARM WATER LINE	322800	538000	092887
050102261	SD	184	CITY OF LAKE NORDEN	WATER SYSTEM IMPROVEMENT	180000	300000	061787
050102268	SD	202	CITY OF MITCHELL	INTERSTATE INDUST. PARK	421500	843000	060987
050102308	SD	433	CITY OF HOWARD	IND. PARK DEVELOPMENT	210000	350000	092887
050102235	UT	91	BONA VISTA WATER IMPR. D	WATER SYS. IMPROVEMENTS	500000	1000000	033087
051102296	WY	356	NORTHERN ARAPAHOE TRIBE	WATER SYSTEM IMPROVEMENT	576000	765050	072487
060102195	IL	94	MACOMB CITY OF	INFRASTRUCTURE IMPROV	655900	937000	060987
060102216	IL	96	ALBION CITY OF	ACCESS ROAD	735000	1050000	071787
060102223	IL	203	DUQUOIN CITY OF	INFRASTRUCTURE IMP INCLU	652400	932000	082187
060102230	IL	204	QUINCY CITY OF	INFRASTRUCTURE IMP	330000	550000	071787
060102235	IL	93	GALENA CITY OF	INFRASTRUCTURE IMPROV	385000	735000	082587
060102247	IL	360	BENTON CITY OF	INFRASTRUCTURE IMPROV	558400	698000	091087
061102254	IL	404	HERRIN CITY OF	ROAD IMPROVEMENTS	428000	535000	092287
061102256	IL	403	FARINA VILLAGE OF	WATER TREATMENT PLT EXP	261600	327000	091887
060102191	IN	99	WASHINGTON CITY OF	IMPROVEMENTS TO AN EXIST	683200	976000	121986
060102197	IN	98	FT WAYNE CITY OF	REHAB AN OLD INDUS AREA	374400	624000	082687
060102207	IN	97	TELL CITY CITY OF	INFRASTRUCTURE IMPROV	320000	400000	091687
060102211	IN	205	CONNERSVILLE CITY OF	INFRASTRUCTURE IMP	280000	350000	091687
060102219	IN	231	NEW PEKIN TOWN OF	WATER SYSTEM IMPROV	165045	325790	083187
060102227	IN	256	HARRISON COUNTY BD OF CO	INFRASTRUCTURE IMPROV	519400	742000	081287
060102228	IN	291	INDIANA PORT COMM	INFRASTRUCTURE IMPROV	750000	1500000	082687
061102238	IN	290	MARENGO TOWN OF	ACCESS IMPROV	356000	445000	072487
060102199	MI	103	MENOMINEE CO RD COM	COUNTY ROAD IMPROVEMENTS	288000	480000	073087
060102215	MI	234	MACKINAW CITY VILLAGE OF	WASTEWATER TREATMENT	350000	2370000	071387
060102221	MI	257	ONTONAGON VILLAGE OF	INDUSTRIAL PARK & SITE	192000	240000	071387

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PROJECT NUMBER	ST	EDIT NO	APPLICANT	DESCRIPTION	EDA $	TP $	APPROVED	
060102229	MI	258	OTSEGO CO ROAD COMM	ACCESS ROAD	380000	475000	071787	
061102204	MI	104	FLINT CITY OF	INDUSTRIAL PARK	892000	1115000	063087	
061102214	MI	232	CALUMET TOWNSHIP	WATER SYSTEM IMPROV	400000	1100000	061787	
061102241	MI	342	BENTON HARBOR CITY OF	INDUSTRIAL PK IMPROV	500500	650000	081987	
060102179	MN	105	DULUTH CITY OF	CONS STEAMLINE	1600000	2027095	031087	
060102222	MN	106	SAUK RAPIDS CITY OF	INDUSTRIAL PARK	400000	1446000	070687	
060102225	MN	260	FERGUS FALLS CITY OF	INDUSTRIAL PARK	591000	925000	090187	
060102226	MN	259	MOTLEY CITY OF	SEWAGE TREATMENT	575000	1585000	071587	
060102240	MN	320	MINNEAPOLIS CITY OF	INCUBATOR FACILITY	1000000	2000000	093087	
06010210001	OH	380	BRD ASHTABULA CNTY COMN	INDUSTRIAL PARK	141000	220000	090187	
060102196	OH	109	REDC & CITY OF TOLEDO	INCUBATOR	400200	667000	092387	
060102201	OH	112	BELLAIRE CITY OF	DEV OF A COMMERCE PARK	340800	426000	070287	
060102202	OH	110	CARROLL CNTY BD OF COMM	INFRASTRUCTURE IMPROV	220800	276000	082587	
060102203	OH	108	KNOX COUNTY BD OF COMM	INFRASTRUCTURE IMPRV	506800	724000	082587	
060102218	OH	206	LAKE COUNTY COMM	INFRASTRUCTURE IMP	340800	568000	080387	
060102231	OH	111	NORWALK CITY OF	IMPS TO IND PK & IND/COM	916800	1146000	082587	
060102239	OH	292	LORAIN CITY OF	INFRASTRUCTURE IMPROV	450000	900000	093087	
060102184	WI.	113	PRENTICE VILLAGE OF	WATER & ROAD	344400	492000	102886	
060102206	WI	186	NEW HOLSTEIN CITY OF	INDUSTRIAL DEVELOPMENT	400000	500000	061787	
060102220	WI	236	INDEPENDENCE CITY OF	IND PARK EXPANSION	165200	236000	080387	
060102233	WI	269	ELROY CITY OF	INDUSTRIAL PARK	409794	620900	070287	
060102234	WI	268	MINONG VILLAGE OF	INDUSTRIAL PARK	389200	556000	071687	
060102237	WI	310	PORTAGE CITY OF	INDUSTRIAL PARK	800000	1600000	072487	
060102253	WI	382	THORP CITY OF	INDUSTRIAL PARK	320000	400000	082687	
061102242	WI	348	WISCONSIN VTAE	INCUBATOR BUILDING	477525	636700	072387	
070102969	AK	114	ATKA IRA COUNCIL & AFA	FISH PROCESSING FACILITY	150000	187500	041487	
071103012	AK	251	SOLDOTNA, CITY OF	VISITOR INFO. CENTER	200000	304270	070687	
070102978	AZ	117	SOMERTON, CITY OF	SEWAGE SYSTEM EXPANSION	365000	457000	032087	
070103006	AZ	243	PARKER, TOWN OF	WATER LINES	512000	640000	062587	
071102933	AZ	115	HOPI TRIBE	RENOVATE MOTEL/CENTER	600000	1059000	012087	
071103019	AZ	116	WHITE MT APACHE TRIBE	MOTEL RENOVATION	400000	500000	070787	
070102913	CA	118	FILLMORE, CITY OF	LEVEE DRIVE IMPROVEMENTS	490000	1710000	051887	
070102974	CA	120	LANCASTER EDC, ST POWERS	IND PARK ST IMPROVEMENTS	625000	1250000	032387	
070102976	CA	121	WEST KERN WATER DISTRICT	WATER SYSTEM EXPANSION	640000	800000	061087	
07010298680	CA	122	SOUTH GATE,CITY OF	WATER SYSTEM IMPROVEMENT	544000	1600000	050787	SPECIAL PROJECT
070102996	CA	207	BAKERSFIELD	WASTEWATER TRMT PLT EXPN	1500000	6300000	092887	
070102997	CA	189	MOSS LANDING HARBOR DIST	HARBOR BULKHEAD IMPRVMNT	600000	1000000	081387	
070103009	CA	255	ECONOMIC RESOURCES CORP	INDUSTRIAL BLDG	1000000	1290000	061787	
070103018	CA	262	BRAWLEY	SEWER LINE	812000	1351700	082587	
070103020	CA	254	BLYTHE/RIVERSIDE COUNTY	WATER,SEWER,FLOOD CONT	600000	1200000	091887	
071103017	CA	294	HAPPY CAMP COMM SERV DIS	WATER SYSTEM IMPROVEMNTS	800000	1210000	070687	
070102869	ID	124	FREMONT COUNTY	SEWER LINES & TREATMENT	250000	907000	060387	

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PROJECT NUMBER	ST	EDIT NO	APPLICANT	DESCRIPTION	EDA $	TP $	APPROVED
070102918	ID	125	PANHANDLE AREA COUNCIL	RURAL INCUBATOR BUILDING	353200	505200	103086
070102980	ID	126	SANDPOINT. CITY OF	INDUSTRL PARK INFRA/BLDG	400000	500000	092287
070102982	ID	127	CALDWELL CITY	INDUSTRIAL AREA INFRA	669200	956000	041387
070102990	ID	190	IDAHO STATE UNIVERSITY	INCUBATOR BUILDING	544000	914000	032687
070103025	NV	313	LAS VEGAS CITY	LAS VEGAS BUSINESS CENTR	848000	1060000	072887
070102813	OR	128	SUMPTER. CITY OF	SEWER SYSTEM/TREATMENT	589000	738000	070287
070102905	OR	129	WALLOWA LAKE CONSORTIUM	WALLOWA LAKE WATER/SEWER	1650000	3300000	032687
070103023	OR	353	MILTON-FREEWATER. CITY O	WASTEWATER STORAGE	458000	575500	082787
070103024	OR	400	COOS BAY NTH-BND WTR BVD	DAM REPLACEMENT	522000	1044540	082587
070102920	WA	130	LUMMI TRIBE OF INDIANS	FOREIGN TRADE ZONE INFRA	304000	608000	040387
070102934	WA	131	CLARKSTON. PORT OF	IND ACCESS.WATER.SEWER	750000	1112000	103086
070102977	WA	132	WASHOUGAL. CITY OF	INDUSTRIAL WATER LINE	210000	420000	041487
070102983	WA	134	PROSSER. CITY OF	SEWER/WATER EXTENSIONS	490000	700000	033087
070102987	WA	135	SNOQUALMIE CITY	SEWER/WATER EXTENSIONS	576000	960000	093087
071103032	WA	401	SPOKANE CITY	AGRICULTURE TRADE CENTER	1000000	1656600	083187
080102531	AR	138	WALNUT RIDGE. CITY OF	WTR TRANSM LINE & APPURT	96000	192000	032387
080102538	AR	136	CROSSETT PORT AUTHORITY	CONSTR PORT FACILITIES	491200	614000	072187
080102539	AR	270	BATESVILLE. CITY OF	SEWER SYSTEM IMPRVMTS	142100	203000	062587
081102551	AR	306	NEWPORT. CITY OF	EXPAND SEWER CAPACITY	402000	502500	073087
080102521	LA	142	PORT OF IBERIA BD OF CMM	HARDSURFACE INDL PK ROAD	330260	471800	103086
080102547	LA	143	LIVINGSTON EDC. INC.	INDL PARK IMPROVEMENTS	144000	180000	070187
080102560	LA	376	PORT OF IBERIA DISTRICT	BULKHEAD/ACC RD/INDL PK	800000	1000000	091687
081102497	LA	140	VILLE PLATTE. CITY OF	CONSTR MULTI-PURPOSE CTR	360000	450000	103086
080102543	NM	209	CARLSBAD. CITY OF	WATER LINE IMPROVEMENTS	430400	538000	080787
080102518	OK	146	KIAMICHI AREA V/T SCH #7	BRYAN CNTY SKILL TRNG CT	1000000	2600000	103086
080102541	OK	272	OKEMAH. CITY OF	INDUSTRIAL PARK IMPRVMTS	556500	795000	060987
080102545	OK	321	DUNCAN. CITY OF	STEPHENS CNTY INDL PK EX	910000	1300000	071787
080102562	OK	363	IDABEL. CITY OF	WTR PLANT EXP AND LINES	1002000	1670000	072887
081102524	OK	145	OK LEAGUE FOR THE BLIND	INDL FAC EXP AND RENOV	355600	508000	010887
081102546	OK	322	MIAMI. CITY OF	INDUSTRIAL PARK DEVELOP	406250	625000	071787
080102523	TX	150	FAIRFIELD. CITY OF	WATER SYSTEM IMPROVEMNTS	480000	800000	122286
080102533	TX	155	CENTER. CITY OF	WATER TREATMENT PLANT	1800000	3050000	060387
080102534	TX	167	NACOGDOCHES. CITY OF	WATER LINE EXTENSION	120000	200000	082487
080102540	TX	156	ELMENDORF. CITY OF	WATER LINE EXTENSIONS	219000	365000	061787
080102544	TX	323	TX STATE TECHNICAL INST	CONST BLDG SYSTEMS TECHN	1000000	1250000	070687
080102548	TX	274	HUGHES SPRINGS. CITY OF	INDUSTRIAL AREA IMPRVMTS	560000	700000	070287
080102549	TX	265	MOUNT PLEASANT. CITY OF	INDL STR. WATER & SEWER	791000	1130000	071787
080102552	TX	239	MCALLEN. CITY OF	TSTI BLDGS/COMPUTER/MECH	700000	1000000	070287
080102554	TX	364	MERCEDES. CITY OF	WASTEWATER PLANT IMPRVTS	960000	1200000	071787
080102558	TX	324	PORT ISABEL. CITY OF	WIDEN/UPGRADE PORT ROAD	560000	700000	072287
081102542	TX	263	LAREDO. CITY OF	LOS DOS LAREDOS INTER PK	600000	815000	072787
081102555	TX	366	LA FERIA. CITY OF	CONSTR INDL BUILDING	360000	600000	090187
081102564	TX	264	LA VILLA. CITY OF	COMM FACILITIES COMPLEX	444800	556000	092587
** TOTAL **					117845277		

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010102950	ME	194	PASSAMAQUODDY TRIBE	SKILLS TRAINGING CENTER	400000	500000	060888
010102966	ME	193	PRESQUE ISLE. CITY OF	RENOVATE INDL.BLDG.	470580	784300	062888
010102910	NY	43	CITY OF DUNKIRK	WATER SYSTEM EXPANSION	1000000	1800000	102687
010102912	NY	71	ESSEX COUNTY	COUNTY HIGHWAY RECONSTRU	1000000	1430000	103087
010102957	NY	232	VILLAGE OF FONDA	WATER FILTRATION SYSTEM	412500	825000	060888
010102968	NY	162	CITY OF ROCHESTER	SITE IMPROV TO IND AREA	1000000	2000000	??
010102867	PA	172	CURWENSVILLE MUNC AUTH	UPGRADE SEWAGE TREATMENT	600000	3247500	060888
010102870	PA	7	REDEV AUTH CNTY WASH.	WESTERN CTR. PARK DEV.	1000000	2500000	010788
010102909	PA	44	BEAVER CO. BD. OF COMM.	HOPEWELL BUS. + INDL PK.	500000	1041000	113087
010102922	PA	51	MEADVILLE REDEV AUTH	30 ACRE INDL PK EXP	592000	740000	012588
010102949	PA	136	ST. MARYS AR. JT. WTR. A	WTR STOR TANK + LINES	275000	595335	063088
010102967	PA	242	GREENVILLE-REYNOLDS DEV.	REYNOLDS NORTH IND. PARK	258000	430000	051688
010102918	PR	28	ASA (LAS MARIAS)	EST COFFEE SEEDLING FARM	530000	662500	031788
010102943	PR	84	SAN LORENZO. MUNC. OF	INDL BLDG CONSTRUCTION	600000	750000	050588
010102964	PR	55	MAYAGUEZ. MUNC. OF	MULTI-TENANT INDL BLDG	883000	1359000	061488
010102923	VA	66	SOUTH HILL. TOWN OF	WTR. + SEWER LINE EXT.	534000	789000	020488
010102927	VA	67	COUNTY OF HENRY	BEAVER CREEK I.P. DEV.	650000	1085000	121887
010102936	VA	64	PRINCE EDWARD CNTY	PRINCE EDWARD INDL PARK	1000000	1430000	122487
011102931	VI	29	VI DOC / VI IPDC	MULTI-TENANT INDL BLDG	980000	1400000	031788
010102917	WV	30	MINERAL CNTY COMM (KAISE	MULTI-USE DEV. FAC.	500000	625000	122487
010102929	WV	57	MORGAN COUNTY COMM.	INDL PARKS	942750	1571250	031488
011102956	WV	255	R/M/S PSD (WYOMING CNTY)	PUBLIC WATER SYSTEM	550000	2170000	051388
040103483	AL	31	FORT PAYNE CITY OF	UPGRADE SWG TRTMNT FAC	500000	3439000	102387
040103549	AL	219	CEDAR BLUFF TOWN OF	SWAGE TRTMNT FAC EXP/IMP	563440	704300	050688
040103541	FL	104	LAKE CITY CITY OF	AIRPORT IND PK	1080000	1847000	062388
040103560	FL	284	CALHOUN COUNTY	AGRIPARK:W/S/GAS/AC RD	844269	1767615	071188
040103478	GA	32	MONTEZUMA CITY OF	CONST SWR OUTFALL LN	201333	604000	102387
040103523	GA	89	JESUP CITY OF	WTR & SWR EXTENSIONS	905917	1294167	112387
040103530	GA	88	RICHLAND CITY OF	WELLS.WTR TRTMNT. TNK	600000	800000	022588
040103535	GA	87	FANNIN COUNTY	CONST WTR/SWR/AC RD	490000	980000	030988
040103543	GA	238	THOMSON CITY/MCDUFFIE CO	CO WTR IMP PROGRAM	1500000	6510000	050688
040103544	GA	198	DECATUR COUNTY	UPGRAD&EXP:WTR POLL FAC	1065000	2130000	060888
040103545	GA	235	MCRAE CITY OF	PUBLIC FAC IMPROVEMENTS	402000	670000	033188
040103532	MS	90	LAFAYETTE COUNTY	DEV ID PK:AC RD.WTR/SWR	500000	1374324	041588
040103517	NC	80	MARION CITY OF	WSTWTR TRTMNT PLT.LNS	250000	800000	012588
040103520	NC	68	ROBERSONVILLE TOWN OF	EXP WTR SUP.ELEV TANK	478800	798000	101987
040103547	NC	223	FRANKLIN COUNTY	WTR/SWR EXT:IND CORR	455270	820270	033088
040103548	NC	221	ST PAULS/ROBESON CO	WTR IMPROVEMENTS	996531	1721531	051288
040103551	NC	224	EDGECOMBE CO/TARBORO	WTR/SWR EXT:IND CORR	523500	1047000	060888
040103555	NC	266	BLADEN COUNTY OF	WTR IMP:IND CORRIDOR	260000	520000	070888
040103536	SC	105	DARLINGTON CO W/S AUTH	CONST SWR TRTMNT FAC	510000	1012000	033088
040103546	SC	208	BISHOPVILLE CITY OF	W/S UTIL EXT:HWY 15/I-20	300000	600000	032988
040103550	SC	245	GAFFNEY BD PUBLIC WORKS	IMPROV WTR TRTMNT PLT	1000000	6333239	062088
040103559	SC	299	TECH ED COMM/TRI-CO TECH	IND & BUS DEV CTR	600000	1200000	071188
041103527	SC	94	CHARLESTON CITY OF	RENOV BLDG:VISITOR CTR	400000	1100000	022688
040103528	TN	93	CHATTANOOGA CITY OF	IMPROV ID AC RD	685300	1410300	012588
040103533	TN	225	SCOTT COUNTY OF	INDUSTRIAL PARK	900000	1200000	031788
040103538	TN	146	CLARKSVL-MNTGMRY ID DEV	CONST CORPORATE BUS PARK	750000	2088220	033088

PROJECT NUMBER	ST	EDIT NO	APPLICANT	DESCRIPTION	EDA $	TP $	APPROVED
041103514	TN	83	CANNON COUNTY OF	CONST IND BLDG	781200	1116000	102387
050102309	CO	101	CITY OF FORT MORGAN	INDUSTRIAL SEWER LINE	442954	885908	031188
050102311	CO	163	WELD COUNTY	IND. PARK WATER & SEWER	640000	1484950	021188
051102273	CO	24	MONTROSE COUNTY	CONST. AIRPORT TERMINAL	750000	2392317	103087
051102282	CO	47	DENVER COMM. DEV. CORP.	CONST. COMMERCIAL BLDG.	566604	1385000	122187
050102318	KS	236	CITY OF GREAT BEND	SANITARY SEWER IMPVMTS.	477000	795000	060888
050102316	MT	165	BUTTE-SILVER BOW GOV'T.	TRANS. HUB FACILITY PARK	600000	1450000	041488
050102330	ND	320	DICKINSON/STARK COUNTY	INDUSTRIAL ROAD	385000	770000	063088
050102285	NE	65	CITY OF SCOTTSBLUFF	IND. PARK ACCESS ROAD	107400	179000	120987
050102315	UT	129	PROVO CITY CORP.	EAST BAY BUSINESS CENTER	615000	1230000	062088
051102314	UT	212	PRICE CITY	HALL OF DINOSAURS	640000	1070640	040188
050102322	WY	272	LARAMIE CO COM COLLEGE	REHAB BLDG AS INCUBATOR	250000	500000	060888
060102252	IL	15	BELLEVILLE CITY OF	IND PK IMP	448000	640000	030188
060102283	IL	187	MCLEANSBORO CITY OF	CONST. WTR STORAGE TANK	207060	295800	040688
060102313	IL	334	MOLINE CITY OF	INFRASTRUCTURE IMPROV	1000000	2925000	062788
060102339	IL	418	GREENVILLE CITY OF	WTR SYSTEM IMPROV	1320000	2200000	??
061102277	IL	155	CENTRALIA CITY OF	DOWNTOWN IMPROV	670480	838100	032188
060102278	IN	186	CLARK CNTY/SELLERSBURG	ACCESS ROAD IMPROV	382696	750384	033188
060102284	IN	248	TERRE HAUTE CITY OF	INFRASTRUCTURE IMPS	564000	940000	033088
060102286	IN	213	MICHIGAN CITY OF	SANITARY SEWER	437500	875000	033188
060102293	IN	131	NORTH JUDSON TOWN OF	INDUSTRIAL PARK	520000	650000	060888
060102294	IN	257	PAOLI TOWN OF	INDUSTRIAL PARK IMPROV	583800	834000	060788
060102275	MI	166	BESSEMER CITY OF	IND AREA IMPROV	355200	444000	031188
060102279	MI	188	GOGEBIC CNTY ROAD COMM	ACCESS ROAD IMP	240000	300000	050988
060102282	MI	189	LAPEER CITY OF	INDUSTRIAL PARK	321000	642000	052088
060102288	MI	271	MANISTIQUE CITY OF	IND PARK IMPRV	460800	576000	041488
060102271	MN	115	WARROAD CITY OF	INFRASTRUCTURE	847200	1412000	021688
060102273	MN	134	GRAND RAPIDS CITY OF	INFRASTRUCTURE IMP	817800	1363000	062088
060102297	MN	185	ADA CITY OF	INDUSTRIAL PARK	593538	989230	060888
060102314	MN	314	GAYLORD CITY OF	INDUSTRIAL PARK	378500	757000	063088
060102320	MN	358	FOSSTON CITY OF	WTR TRTMENT & LAGOON EXP	442800	736000	070588
061102270	MN	112	AITKIN CTY/AITKIN CNY GR	INCUBATOR BUILDING	429600	537000	021688
060102276	OH	167	ST HENRY VILLAGE OF	INFRASTRUCTURE IMP	1123800	1873000	060888
060102224	WI	249	SUPERIOR CITY OF	INDUSTRIAL PARK	.483300	805500	070888
070103007	AK	33	CITY & BOUROUGH OF SITKA	DOCK AND FLOAT	163500	327000	021188
071102995	AK	34	CHEVAK. TRADITIONAL CONC	COMMERCIA EROSION CONTRL	120000	150000	051988
071103008	AK	41	PORT GRAHAM VILLAGE CNCL	WATER SYSTEM IMPROVEMENT	325000	425000	121587
070103049	AZ	137	CASA GRANDE. CITY OF	SEWER LINE TO IND PARK	985000	1407000	033088
070103045	CA	98	CHOWCHILLA	WATER SEWER IMPROVEMENTS	825000	1179000	012988
070103047	CA	96	LIVINGSTON	STREET.WATER.SEWER IMP	730000	912500	033088
070103089	CA	296	L A UNIFIED SCHOOL DIST	WATTS SKILL CENTER	1000000	3328841	071188
071103030	CA	85	RECLAMATION DISTRICT 784	STORM DRAIN IMPROVEMENTS	360000	450000	111087
070103033	ID	97	PAYETTE CITY	INDUSTRIAL WATER & SEWER	936000	1560000	010788
070103048	ID	141	GOODING CITY	INDUSTRIAL PARK INFRA	498000	1048000	031488
070103066	ID	277	WEISER CITY	SEWER LINE REPLACEMENT	500000	1000000	062088
070103039	NV	77	FERNLEY TOWN BOARD	WASTEWATER TREATMENT SYS	490200	817000	120987
070103046	WA	145	ELLENSBURG CITY	INCUBATOR BUILDING	489000	611250	010788
080102550	AR	42	MENA. CITY OF	WTR TREATMENT AND LINES	1500000	2900000	101987

PROJECT NUMBER	ST	EDIT NO	APPLICANT	DESCRIPTION	EDA $	TP $	APPROVED
080102576	AR	159	CLEBURNE COUNTY IDC	INDL PARK IMPROVEMENTS	288000	360000	031488
080102584	AR	228	MISSISSIPPI COUNTY. ARK.	INDL ACCESS RD IMPRVMNTS	672000	840000	031788
080102599	AR	354	STAMPS. CITY OF	CONSTR WTR STG TANK/LINE	432000	720000	060888
080102600	AR	347	BAXTER COUNTY	CONST INDL PK SEWER SYST	286500	573000	062088
080102605	AR	348	SUBIACO. TOWN OF	WATER SYSTEM IMPROVEMNTS	115000	265000	071188
080102585	LA	241	WEST ST. MARY PAR H&TD	WAREHOUSE/SHED/PUB DOCK	225000	375000	042888
080102595	LA	250	GREATER LAFOURCHE PORT C	BULKHEAD/OVERLAY 2 ROADS	1000000	2027000	051688
080102578	OK	147	MCALESTER. CITY OF	TAYLOR INDL PK ACC RD	589800	983000	031488
080102579	OK	160	BLACKWELL. CITY OF	HOSPITALITY SITE EXPANSN	697500	1395000	033188
080102586	OK	149	GROVE. CITY OF	INDL PARK EXP-22 ACRES	97380	162300	050588
080102587	OK	183	WOODWARD. CITY OF	WOODWARD INDL AIRPARK	927500	1325000	031788
080102588	OK	205	FORT GIBSON. TOWN OF	INDL AREA UTILITIES/ROAD	735300	1225500	033188
080102590	OK	206	DURANT. CITY OF	INDUSTRIAL PK ACCESS RD	399000	665000	060888
080102557	TX	79	PORT ARTHUR. CITY OF	CONST COMM VESSEL WHARF	1255000	1568750	101987
080102572	TX	179	TEXARKANA. CITY OF	S TEXARKANA WATER SYS	826000	1180000	012788
080102574	TX	19	HARLINGEN. CITY OF	INDL AIRPARK WTR/SEWER	948000	1580000	012988
080102575	TX	99	ELSA. CITY OF	WASTE WTR TREATMENT FAC	898000	1122500	030988
080102589	TX	100	DONNA. CITY OF	WASTEWATER TMT PLANT EXP	720000	1200000	051988
081102571	TX	114	AVENIDA GUADALUPE ASSN.	LAS TIENDAS MARKETPLACE	600000	922000	012588
081102573	TX	108	JIM HOGG CNTY WCID NO. 2	WATER SYSTEM IMPROVEMENT	400000	500000	033088
081102577	TX	107	BEEVILLE. CITY OF	CBD COMMERCIAL IMPROVMTS	280000	350000	030288
** TOTAL **					71635102		

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Economic Development
Washington, D.C. 20230

Attachment 3B

NOV 05 1987

MEMORANDUM FOR REGIONAL DIRECTORS

FROM: Orson G. Swindle, III
Assistant Secretary
for Economic Development

SUBJECT: Guidance for FY 1988 Grant Programs

This memorandum establishes program guidance, procedures for inviting and processing applications, and project processing goals for EDA's grant programs for FY 1988. It is intended to supplement the Federal Register announcement, a draft copy of which will be mailed to you in a few days. We do not have a final appropriation, and the outcome of the current budget discussions is likely to affect our FY 1988 funding level. As a consequence, we cannot formally allocate funds. However, for planning purposes, you should assume that the allocations to each Region for the various programs will be comparable to FY 1987. Our current appropriation, which runs through November 10, is $19,849,000. As soon as decisions are made on a final appropriation, we will formally allocate funds.

I. Overall Policy Guidance

To the maximum extent possible, projects funded by EDA in FY 1988 should:

- assist areas experiencing or threatened with severe economic distress;
- help such places establish and maintain stable and diversified economies thus creating lasting improvements that will result in better local economic conditions and improve the overall economic development environment of the area;
- improve the economic status of unemployed and underemployed residents of such areas;
- aid in the removal of impediments that prevent or limit new job opportunities or threaten existing jobs;
- produce economic impacts within one to three years of project approval;
- be an outgrowth of an economic development planning process that involves public and private sector leaders and, as appropriate, be consistent with a current Overall Economic Development Program (OEDP). Projects must grow out of the needs of the area residents and must fit into a practical economic development strategy or program for meeting those needs; and

- o evidence strong state and local support in terms of financial commitments, public and private sector leadership, and community involvement. For a project to be successful, there must be a commitment on the part of local officials to carry out programs and strategies, to undertake the necessary local actions, and to provide a reasonable share of the financing. There also must be a commitment to appropriate follow-up development actions.

Potential applicants must justify to EDA project feasibility and expected economic impacts.

As in FY 1987, you should continue to give particular attention to the needs of distressed rural areas, particularly those experiencing problems as a result of difficulties in the agricultural sector and the lowering of petroleum prices. Careful consideration should also be given to projects located in rural or urban enterprise zones.

In accordance with our goal of helping the most distressed areas, consideration will not normally be given to projects (except for Title IX SSED projects) designed to benefit areas with unemployment levels below the national average (i.e., the June 1987 12-month national rate of 6.7 percent). Projects designed to benefit areas with rates below this level will only receive funds if warranted by other economic considerations. Examples of situations that might warrant support include projects in areas with low family and/or per capita income levels; projects that will provide substantial and direct benefits to distressed and designated subareas or population groups with high levels of unemployment or underemployment; projects that will discourage out-migration from rural areas; and projects in areas experiencing severe stress because of problems in the agricultural sector.

II. General Operational Matters

For the first time in recent history, we are entering the new fiscal year with a substantial pipeline of public works and Title IX project applications. This provides us with a unique opportunity to modify our spending patterns and avoid the excessive expenditures that have characterized our third and fourth quarter operations in past years. Our goal this year is to achieve a relatively even level of expenditures in each quarter and to have all FY 1988 projects approved by August 31, 1988. This will, of course, require a major effort on the part of the Regional Office staff, particularly during this first quarter when traditionally we have waited--for an appropriation, the Federal Register announcement, policy guidance, etc.

You are directed to keep the flow of work and projects going a full 12 months of the year at a steady, results-oriented pace. This will require good management on your part and the commitment of all employees to our goal of evening out the workload.

As we have been alerting you and your staffs for the past several months, during this fiscal year, we will adopt a slightly modified version of the Department of Commerce's (DOC) financial assistance package. The major differences between the DOC package and the one we have used in the past are the inclusion of a grant award form and a set of DOC Financial Assistance Standard Terms and Conditions. Our agreement with the Department is that EDA will begin using the new package as soon as possible during FY 1988. Under no circumstances, however, should grant packages developed prior to receipt of the new materials and instructions be modified to conform to the new guidelines.

Another operational point involves the role of EDRs in monitoring projects. As we have discussed, although EDRs traditionally have concentrated on developing projects, it is essential that they also play a major role in monitoring projects. This ranges from following up with public works grant recipients to assure that construction is initiated and progressing in a timely manner to checking with revolving loan fund grantees to determine whether loans are being made as intended. Another significant EDR role involves meeting regularly with development districts, university centers, and other institutional grantees to discuss their progress, problems, etc. The information and insights obtained from EDRs' interactions with grantees should be shared with you and your Division Chiefs with project monitoring responsibilities. Obviously, any major issues uncovered by EDRs should be communicated to policy officials in Headquarters.

A final operational point involves everyone's favorite subject: time extensions. As you should be well aware, failure to request extensions, lack of appropriate and timely action on such requests, unjustified project delays, and inadequate progress by grantees in constructing projects will not be tolerated. I cannot overemphasize to you that we cannot afford the time we've spent this year cleaning up an enormous mess created by prior grantee performance and our own failures in performance.

Do not allow your staffs or the grantees with whom you work to let the situation get any worse than it is. Clean up the remaining failures of the past and allow none in the future.

III. Public Works and Development Facilities Grants

A. Regular Public Works Program

In addition to the criteria outlined above and the factors discussed in the Federal Register announcement, the following should be considered:

- Relationship to economic development Projects should normally be closely related to economic development as distinguished from general community development. They should have as their objectives the improvement of opportunities for the establishment or expansion of commercial/industrial facilities; creation/retention of permanent, private sector employment opportunities; and provision of benefits for unemployed and low-income persons. In exceptionally compelling circumstances, funds may also be used to support community development projects which provide essential services to low-income residents in severely distressed areas. Public buildings to house local and state government services and general use roads and highways are most appropriately local and state responsibilities. Avoid them!

- Leverage of private/public investments Projects should involve additional private and public investments. EDA's investment should be viewed in proportion to the private/public investment to determine if it is critical for the successful implementation of the project. Projects where the EDA share of investment is in excess of 50% of project costs are discouraged.

- Timeframe Projects must be able to start construction on time and be completed within a reasonable period. Potential applicants must be advised that EDA will hold them to strict compliance with the implementation time schedule if a grant is awarded. Deliberately inflated time schedules will not be acceptable. In judging the relative merits of project proposals, you should consider the timing and probability of expected impacts. While this approach will give priority to projects with short-term development benefits, it does not rule out sound long-term development and recovery efforts that address structural unemployment and underemployment problems.

- Property Management In inviting and processing applications, Regional Offices should be alert to situations in which a recipient plans to "give" a part of an EDA-funded facility, such as a road or waterline, to another entity after construction. Such other entities should be brought into the project as co-applicants or some other arrangement made to ensure that they are bound by EDA's property management requirements and other applicable regulations.

- Area Distress Unless distressed subareas, such as a group of census tracts, are or could be designated under one of EDA's established designation criteria, they may not be used to justify projects from areas not otherwise showing economic distress. For example, a noncontiguous group of distressed census tracts in an otherwise economically healthy community cannot be used to justify a project in that area.

B. Public Works Impact Program (PWIP)

While we will continue to fund PWIP projects in FY 1988, EDA is no longer required to expend at least 15 percent of the annual public works appropriation for such projects. Projects should be funded as PWIPs if they:

- provide immediate and useful construction work for the unemployed and underemployed residents of the area; and
- are relatively labor intensive and will generate a significant number of construction jobs. Projects which involve renovation or rehabilitation work should be considered over new construction as they generally are more labor intensive.

In addition, PWIP projects should normally contribute to the long-term economic development potential of the community. However, PWIP funds may also be used to support community development projects which meet the above two criteria and provide essential services to low-income residents in severely distressed areas (e.g., in the Pacific Islands). Whenever possible, PWIP projects should be constructed using the force account method thereby making it easier to target the construction jobs to the local unemployed and underemployed.

PWIP projects should be recommended as early in the fiscal year as possible so that they can be approved during the first two quarters. This will allow the employment that will be generated to occur in the 1988 construction season. PWIP projects by definition must be able to be started immediately upon approval.

C. Prohibited Projects

Projects which involve the construction or renovation of parking garages/lots theaters, civic auditoriums, and other similar facilities, and will not be funded. The Federal Register notice also states that no support will be provided to a project which would involve "nonindustrial street/road construction or repair that is normally the responsibility of a local government, county or Federal highway department to build and/or maintain." The purpose of this restriction is to eliminate proposals which would involve construction, upgrading or maintenance of:

- residential streets/roads;
- commercially-oriented streets/roads;
- general purpose streets/roads/highways; and
- improvements designed to alter nonindustrial traffic patterns or deal with vehicular or pedestrian safety.

This prohibition does not rule out projects that are required for an economic development purpose and can be tied directly to the creation or retention of a significant number of permanent jobs, for example, an access road to an industrial park or area. However, EDA participation should not be used merely to augment existing sources of road building or maintenance funds, nor should EDA funds be used to subsidize the public cost to repair damaged roadways caused by a single private user.

D. Previous Investments

Special attention should be given to prior EDA investments to assure that their purposes are being achieved. Projects experiencing problems or major delays should be given as much attention as possible.

E. Processing Goals

The milestones and Management by Objectives (MBO) goals for FY 1988 represent what I consider an ambitious but achievable level for processing Public Works projects. There are four performance measures:

- Invited projects - refers to those projects for which a written letter of invitation to submit a formal application has been issued.
- Recommended projects - refers to those projects for which regional processing has been completed and which have been submitted to and received by Headquarters. (This milestone will be tracked by EDA rather than by the Department.)
- Processed projects - refers to those projects for which Headquarters processing has been completed and which have been submitted to FARB.
- Approved projects - refers to those projects that have received a final approval decision by the Assistant Secretary.

Three of these milestones are being tracked by the Department as part of the MBO process. The goals established for each are:

	Dec 31	Mar 31	Jun 30	Sept 30
Invited	70%	125%	150%	175%
Processing Completed	25%	50%	80%	115%
Approved	20%	35%	70%	100%

To ensure that the Agency's quarterly processing milestones are met, the following monthly targets are established for each Region:

	Invitations	Recommend/Submit to DC
Oct 31	60%	15%
Nov 30	70%	30%
Dec 31	80%	40%
Jan 31	90%	50%
Feb 29	110%	60%
Mar 31	125%	70%
Apr 30	135%	80%
May 31	145%	90%
Jun 30	150%	110%
Jul 31	160%	115%
Aug 31	170%	120%
Sep 30	175%	125%

DO NOT STOP HERE! REMEMBER OCTOBER FOLLOWS SEPTEMBER!

All milestones apply to the Regional Office allocations. As indicated earlier, for planning purposes, it should be assumed that those allocations will be comparable to those for FY 1987. While the September 30, 1988, target for invitations is 175 percent of your allocations, as with last year, you are authorized to invite up to 200 percent of your allocation.

As you will note above, each month (all 12) of the year requires positive accomplishments and movement of projects through the pipeline. Management of personnel is essential to assure success. Manage!!

The Deputy Assistant Secretary for Grant Programs will issue instructions regarding program implementation and documents to be included in the approval packages to be submitted to Headquarters. Be sure that the pressing economic need for the project is stated clearly in the ED-506 and that the expected impacts (i.e. private sector jobs created or saved, private investments leveraged, improvements to local tax base, etc.) are indicated. This guidance is equally relevant for Title IX and technical assistance projects.

F. Regional Allocations

As indicated previously, uncertainties about our FY 1988 budget prevent us from making allocations at this time. For planning purposes, you should assume that your public works allocations will be comparable to FY 1987. Your urban/rural distribution targets will also be the same as FY 1987. You are not, however, required to spend at least 15 percent of your public works allocation on PWIP projects. As soon as decisions about our annual appropriation are made, we will issue formal allocations.

IV. Planning Grants and Cooperative Agreements

A. District, Indian and Area Planning Grants

As in the past, funds for these planning grants will be allocated on the basis of previous year activity and agreements regarding specific grantees. Funds for ongoing projects correspond to 98% of the $24 million FY 1987 appropriation. Consequently, a budget cut of more than two percent will require reductions in allocations and in grant levels for some grantees.

Because of the importance of proceeding with this program in an expeditous manner, you are authorized to invite formal applications from current grantees whose grants expire between 10/1/87 and 1/2/88. In issuing such invitations, it is essential that you make it clear to the grantees that neither the funding levels nor the grants themselves are assured, given the lack of an appropriation and the ongoing budget discussions.

In the past, various problems have prevented us from making grants and grant admendments to ongoing grantees in a timely manner. This year I have established a goal of awarding grants or grant amendments to such entities three to four weeks prior to the expiration of their current grants. In no instance should such assistance be awarded later than two weeks prior to the expiration of the current grant. Please comply with this requirement without failure. Run a continuous work effort for all programs--no "back burner" maneuvers.

Within your allocations, you are encouraged to adjust individual grantee levels based on grantee performance, area distress, and other appropriate factors. Headquarters Planning staff will arrange for the reservation of funds for individual grantees, normally once a quarter, on the basis of information supplied by you. In FY 1987, we experienced some problems because Regions adjusted individual grant amounts without informing Headquarters staff. This resulted in erroneous fund reservations. To avoid such problems in FY 1988, please advise your staff to inform Headquarters Planning staff of modifications in grant funding levels as expeditiously as possible.

As you were informed last year, with more districts seeking funds than we have resources to assist and an appropriation that is likely to specify a particular amount for districts (without mention of areas), priority consideration will be given to multicounty districts as opposed to single-county or subcounty areas. You may, however, continue to give consideration to currently funded area grantees experiencing severe distress. In the event budget cuts make it necessary to reduce program funding levels, area grantees and districts with relatively less distress should be examined to determine if continued funding is appropriate.

Computer packages are being developed for grant processing for this and other programs, and will be provided to you as soon as they are available. To the extent possible, training in using these packages will be provided to your staff. The Headquarters Planning staff has used such packages for processing State and Urban planning grants for the past year and achieved significant increases in productivity.

B. State and Urban Planning Grants

If funds are appropriated and apportioned for this program, they will be allocated on the basis of FY 1987 activity and agreements regarding funding levels for specific grantees. Any reduction in funding will result in cuts in Regional allocation levels and thereby necessitate changes in individual grant amounts. Within your allocation, decisions on individual grant amounts should be made by reviewing changes in performance, distress, and other factors that would justify modifications in the previously established FY 1988 funding levels and discussing them with Headquarters Planning staff. Under the Urban Program, priority consideration should be given to smaller cities and counties whose economic development planning and policy making activities are substantially strengthened by the infusion of an EDA grant.

Consistent with the instructions for the District, Indian, and Area Planning Program, you are authorized to invite formal applications from current State and Urban grantees whose grants expire between 10/1/87 and 1/2/88. Since some consideration is being given to eliminating this program altogether, it is particularly important that you make it clear to those to whom you issue invitations that neither the funding levels nor the grants themselves are assured.

Also consistent with instructions for the District, Indian, and Area Planning Program, our goal is to award grants or grant amendments to 302(a) grantees three to four weeks prior to the expiration of their current grants and no later than two weeks prior to that date. Headquarters Planning staff will arrange for the reservation of funds for individual grantees, normally once a quarter, on the basis of information supplied by you.

V. Technical Assistance (TA) Grants and Cooperative Agreements

A. Local TA Allocations

For planning purposes, you should assume that your FY 1988 Local TA allocations will be comparable to those received in FY 1987. As in years past, given the limited funds available for Local TA projects, proposals selected for funding should normally involve one-time efforts and either assist in generating private sector jobs within the short term or offer significant potential for generating jobs in the longer term. Projects designed to assist depressed rural areas should continue to emphasize economic diversification and reduction of dependence on the agricultural sector. You are particularly encouraged to seek out and consider projects which suggest innovative responses to problems stemming from the farm crisis.

As soon as meaningful results from the Local TA evaluation being carried out by Mt. Auburn Associates are available, they will be provided to you for use in making FY 1988 project decisions. In reviewing Local TA proposals, please keep in mind that districts and university centers are eligible applicants for Local TA grants and, in some cases, may represent the most cost-effective means of providing needed services. Such entities should receive the same consideration as other potential applicants in the competition for Local TA funds.

Project authorization for Local TA projects will remain your responsibility. You should review proposals regularly throughout the year and invite project applications on a similar basis as public works. This will enable you to move quickly on proposals which clearly merit EDA assistance and eliminate the end-of-year project processing workload. As is the case with other EDA programs, all Local TA projects are to be approved by August 31, 1988.

B. University Center Allocations

In accordance with our policy of phasing out EDA funding for centers which were in the University Center Program prior to FY 1982, the following tentative allocations were developed for ongoing and long-term supplemental university center grants. These allocations reflect 20% reductions in the FY 1987 grant levels for all centers funded prior to FY 1982 except North Dakota State University and five Historically Black Colleges and Universities: Hampton, Atlanta, Benedict, Xavier, and Mississippi Valley State. The long-term supplemental grants are for Hawaii ($45,000) and Boise State ($55,000).

Region	Basic Grants	Supplemental Grants	Total
Philadelphia	$700,000	- 0 -	$ 700,000
Atlanta	$728,000	- 0 -	$ 728,000
Denver	$481,000	$ - 0 -	$ 481,000
Chicago	$560,000	$ - 0 -	$ 560,000
Seattle	$760,000	$100,000	$ 860,000
Austin	$360,000	- 0 -	$ 360,000
TOTAL	$3,589,000	$100,000	$3,689,000

The individual grant amounts on which these figures are based are identified in a separate memorandum, which will authorize you to invite applications from those centers whose grants expire before January 2, 1988--with the explanation that we do not have an appropriation, etc.

If funds are made available for new university centers, the deadline for letters of interest from institutions seeking support for such centers will be January 15, 1988. Instructions on responding to such letters will be provided at a later date, as will information on an Assistant Secretary initiative aimed at using several EDA tools to help colleges and universities undertake technology-oriented development projects. Decisions on a supplemental grant competition for existing centers will also be forthcoming.

VI. Economic Adjustment Grants

A. LTED/RLF Program

1. General Guidance

In addition to the evaluation criteria that will be printed in the Federal Register, the following highlights factors that should be considered when inviting Long-Term Economic Deterioration (LTED)/ Revolving Loan Fund (RLF) applications for possible FY 1988 funding:

- Priority should be given to proposals containing a local share in excess of the required 25%, and you should strive for a 50% local share. This will stretch limited program funds and enable us to consider new RLF requests involving as little as $250,000 to $300,000 and recapitalization requests for as little as $150,000 to $200,000 in EDA dollars.
- The maximum grant size for new RLFs should not exceed $500,000; recapitalization requests should not exceed $300,000.
- Recapitalization requests should only be considered if the area serviced by the grantee continues to experience severe economic distress; there is a backlog of demand for loans that the current RLF cannot meet; and the grantee has an excellent track record in administering its RLF. It goes without saying that recapitalization is appropriate only if the existing RLF is essentially loaned out, i.e., no dormant funds.
- Priority should be given to projects that target resources to selected economic development initiatives, rather than to projects that take a more generalized approach to business development or job creation. Significant involvement by the potential applicant in coordinating and setting economic development priorities for the area is a key factor.

- Administrative capacity should be evaluated on the basis of prior experience in structuring loan packages with private sector financing and other public loan programs, staff capacity and composition of the Loan Administration Board.

- Knowledge of the special problems that restrict financing for target industries or firms must be demonstrated in the loan selection criteria and finance policies proposed for the RLF and through links with other types of lenders.

2. Eligible Areas

The eligibility criteria for LTED assistance are unchanged from last year. Areas eligible for LTED aid this fiscal year include those:

- identified for assistance in projects carried forward from FY 1987;

- listed as eligible on the September report forwarded to you last week; and

- specified as eligible as a result of quarterly updates issued during the remainder of this fiscal year.

Areas that lose their eligibility as a result of subsequent updates are still eligible for projects processed during this fiscal year.

3. Urban/Rural Split

The Philadelphia, Chicago, and Seattle Regional Offices should target at least 65% of their RLF funds to rural areas. The Atlanta, Denver, and Austin Regional Offices should target at least 70% of their RLF dollars to rural areas.

4. LTED/Regional Allocations

Allocations will be made as soon as possible after FY 1988 funds are appropriated and apportioned. As in FY 1987, they will be developed by applying the formula used to allocate the public works funds, but substituting all eligible LTED areas for all currently qualified designated areas. For planning purposes, you should assume that your allocation will be comparable to last year's amount.

5. LTED Processing Goals

The LTED processing goal for FY 1988 is to complete the processing of the full amount appropriated by June 30. In order to attain this goal, each Regional Office will be expected to invite applications for at least 80% of its allocation by December 31, and for at least

100%, but not more than 150% of its allocation by March 15. Processed applications for at least 50% of each Region's allocation must be forwarded to Headquarters by February 15. Applications for at least 80% of each Region's allocation must be forwarded no later than April 30. All remaining applications must be forwarded to Washington by June 15.

B. SSED Grants

1. Adjustment Strategy Grants

As in FY 1987, we will continue to provide grants for two types of adjustment strategies: targetted strategies and full-fledged strategies. Targetted strategy grants are designed to permit immediate exploration of a potentially effective approach to saving or creating jobs for the dislocated workers. They normally involve limited Title IX dollars ($5,000 to $25,000) and are completed within 60 to 90 days. You are encouraged to use your delegated authorities to invite applications for and make such grants in cases where there is an opportunity to provide an immediate response to an actual or threatened dislocation.

Proposals for full-fledged adjustment strategy grant assistance should continue to conform to the strategy grant proposal outline and particularly focus on groups impacted by the dislocation(s) that make the area eligible for SSED consideration. Such strategies are expected to be completed within a reasonable period of time (generally six months or less) and have strong community support.

2. Adjustment Implementation Grants

In addition to the evaluation criteria that will be printed in the Federal Register, the following guidance is provided for developing adjustment implementation grant requests:

- Grant requests should not exceed $1,000,000.
- EDA-funded adjustment strategies should be reviewed for possible implementation grant assistance. Well-conceived implementation projects resulting from previously funded strategies should be given priority.
- Potential applicants providing more than the required 25% share should receive priority consideration, and you should strive for a 50% share!

3. SSED Allocation/Authorization Schedule

As you know, we have given consideration to allocating a portion of the SSED funds to the Regions in FY 1988. The approach under consideration would have involved making allocations on the basis of information contained in the dislocation tracking report and other appropriate factors. If a Region were unable to develop projects to use all or part of its allocation by a certain date, the remaining funds would have been reallocated to another Region or Regions. Similarly, Regions which required additional funds to meet project demands would have been considered for increased allocations out of the reserved funds on an as needed basis.

The pipelines some of you have developed make such an approach inappropriate this fiscal year. However, we continue to think there is some merit to making allocations based on the dislocation tracking report and other factors, and expect to discuss the concept at the quarterly Regional Directors meetings. Moreover, given the existence of eligible dislocation situations in each Region, we expect each Regional Office to invite and process at least two SSED grants involving at least $1 million in EDA funds.

Given the nature of the SSED program, there is no monthly or quarterly schedule for submitting proposals. Since timing is important in SSED situations, Regional Offices should develop, review and make initial determinations on proposed responses to dislocations as quickly as possible after the actual or anticipated dislocation is identified.

In order to have time to process authorized applications at the end of the fiscal year, the deadline for inviting SSED implementation grant applications for FY 1988 funding is June 15, 1988. SSED strategy grant invitations must be issued by July 1, 1988. The deadline for forwarding to Washington processed applications for both types of grants is August 1, 1988. A key factor in considering proposals for funding late in the fiscal year is whether the application can be processed by the August 1 deadline.

VII. Summary

It is essential that you develop consistent and constant project consideration and processing procedures to assure that funds are evenly obligated over each month of the year. Quality! Quality! Quality! We will have quarterly Regional Director meetings for "show and tell" reviews of projects in your pipeline.

Attachment 2.C

SUMMARY OF FY 1988 EDA GRANT APPROVALS TO DATE

PROGRAM	FEDERAL DOLLARS	STATE TOTAL	STATEWIDE TOTAL
ALABAMA		$1381440.00	$83202122.00
PUBLIC WORKS	1063440.00		
PLANNING	174000.00		
TECH ASSISTANCE	114000.00		
TITLE IX	30000.00		
ALASKA		$839500.00	
PUBLIC WORKS	608500.00		
PLANNING	231000.00		
ARIZONA		$1185000.00	
PUBLIC WORKS	985000.00		
PLANNING	200000.00		
ARKANSAS		$2955000.00	
PUBLIC WORKS	2460000.00		
PLANNING	495000.00		
AMERICAN SAMOA		$40000.00	
PLANNING	40000.00		
CALIFORNIA		$2576500.00	
PUBLIC WORKS	1915000.00		
PLANNING	272000.00		
TECH ASSISTANCE	67000.00		
TITLE IX	322500.00		
COLORADO		$2546558.00	
PUBLIC WORKS	2399558.00		
PLANNING	147000.00		
DELAWARE		$38000.00	
PLANNING	38000.00		
DISTRICT OF COLUMBIA		$358931.00	
TECH ASSISTANCE	118931.00		
RESEARCH	240000.00		

PROGRAM	FEDERAL DOLLARS	STATE TOTAL
FLORIDA		$263000.00
PLANNING	187000.00	
TECH ASSISTANCE	76000.00	
GEORGIA		$5014250.00
PUBLIC WORKS	4099250.00	
PLANNING	843000.00	
TECH ASSISTANCE	72000.00	
GUAM		$40000.00
PLANNING	40000.00	
HAWAII		$132000.00
PLANNING	40000.00	
TECH ASSISTANCE	92000.00	
IDAHO		$2818000.00
PUBLIC WORKS	1434000.00	
PLANNING	534000.00	
TECH ASSISTANCE	25000.00	
TITLE IX	825000.00	
ILLINOIS		$2339540.00
PUBLIC WORKS	1325540.00	
PLANNING	214000.00	
TITLE IX	800000.00	
INDIANA		$2530696.00
PUBLIC WORKS	1384196.00	
PLANNING	344000.00	
TITLE IX	802500.00	
IOWA		$865000.00
PLANNING	265000.00	
TITLE IX	600000.00	

PROGRAM	FEDERAL DOLLARS	STATE TOTAL
KANSAS		$652500.00
PLANNING	165000.00	
TITLE IX	487500.00	
KENTUCKY		$1247000.00
PLANNING	675000.00	
TECH ASSISTANCE	72000.00	
TITLE IX	500000.00	
LOUISIANA		$2647500.00
PUBLIC WORKS	1225000.00	
PLANNING	385000.00	
TECH ASSISTANCE	37500.00	
TITLE IX	1000000.00	
MAINE		$1086500.00
PLANNING	272000.00	
TECH ASSISTANCE	72000.00	
TITLE IX	742500.00	
MARYLAND		$88000.00
PLANNING	88000.00	
MASSACHUSETTS		$137000.00
PLANNING	137000.00	
MICHIGAN		$2195000.00
PUBLIC WORKS	1377000.00	
PLANNING	618000.00	
TITLE IX	200000.00	
MINNESOTA		$2499800.00
PUBLIC WORKS	1276800.00	
PLANNING	423000.00	
TITLE IX	800000.00	

PROGRAM	FEDERAL DOLLARS	STATE TOTAL
MISSISSIPPI		$921000.00
PUBLIC WORKS	500000.00	
PLANNING	381000.00	
TECH ASSISTANCE	40000.00	
MISSOURI		$1031000.00
PLANNING	531000.00	
TITLE IX	500000.00	
MONTANA		$940000.00
PUBLIC WORKS	600000.00	
PLANNING	240000.00	
TECH ASSISTANCE	100000.00	
NEBRASKA		$207400.00
PUBLIC WORKS	107400.00	
PLANNING	100000.00	
NEVADA		$497200.00
PUBLIC WORKS	490200.00	
TECH ASSISTANCE	7000.00	
HEW HAMPSHIRE		$121000.00
PLANNING	45000.00	
TECH ASSISTANCE	76000.00	
NEW JERSEY		$154000.00
PLANNING	78000.00	
TECH ASSISTANCE	76000.00	
NEW MEXICO		$461000.00
PLANNING	392000.00	
TECH ASSISTANCE	69000.00	

PROGRAM	FEDERAL DOLLARS	STATE TOTAL
NEW YORK		$2947000.00
PUBLIC WORKS	2000000.00	
PLANNING	574000.00	
TECH ASSISTANCE	73000.00	
TITLE IX	300000.00	
NORTH CAROLINA		$2535601.00
PUBLIC WORKS	2180601.00	
PLANNING	284000.00	
TECH ASSISTANCE	71000.00	
NORTH DAKOTA		$495000.00
PLANNING	410000.00	
TECH ASSISTANCE	85000.00	
OHIO		$757000.00
PLANNING	257000.00	
TITLE IX	500000.00	
OKLAHOMA		$4065480.00
PUBLIC WORKS	3047480.00	
PLANNING	488000.00	
TECH ASSISTANCE	30000.00	
TITLE IX	500000.00	
OREGON		$440000.00
PLANNING	400000.00	
TECH ASSISTANCE	40000.00	
PENNSYLVANIA		$3244176.00
PUBLIC WORKS	2350000.00	
PLANNING	413000.00	
TECH ASSISTANCE	181176.00	
TITLE IX	300000.00	
PUERTO RICO		$1217000.00
PUBLIC WORKS	1130000.00	
PLANNING	87000.00	

PROGRAM	FEDERAL DOLLARS	STATE TOTAL
RHODE ISLAND		$27000.00
PLANNING	27000.00	
SOUTH CAROLINA		$2849000.00
PUBLIC WORKS	1210000.00	
PLANNING	539000.00	
TECH ASSISTANCE	100000.00	
TITLE IX	1000000.00	
SOUTH DAKOTA		$303000.00
PLANNING	303000.00	
TENNESSEE		$3335500.00
PUBLIC WORKS	3116500.00	
PLANNING	219000.00	
TEXAS		$10156300.00
PUBLIC WORKS	5927000.00	
PLANNING	708000.00	
TECH ASSISTANCE	74000.00	
TITLE IX	3447300.00	
UTAH		$850000.00
PUBLIC WORKS	640000.00	
PLANNING	210000.00	
VERMONT		$145000.00
PLANNING	120000.00	
TECH ASSISTANCE	25000.00	
VIRGIN ISLANDS		$1050000.00
PUBLIC WORKS	980000.00	
PLANING	45000.00	
TECH ASSISTANCE	25000.00	
VIRGINIA		$2486000.00
PUBLIC WORKS	2184000.00	
PLANNING	302000.00	

PROGRAM	FEDERAL DOLLARS	STATE TOTAL
WASHINGTON		$1583000.00
PUBLIC WORKS	489000.00	
PLANNING	779000.00	
TECH ASSISTANCE	15000.00	
TITLE IX	300000.00	
WEST VIRGINIA		$3435750.00
PUBLIC WORKS	1992750.00	
PLANNING	468000.00	
TECH ASSISTANCE	28000.00	
TITLE IX	947000.00	
WISCONSIN		$429000.00
PLANNING	429000.00	
WYOMING		$42000.00
PLANNING	42000.00	

2d. QUESTION:
Please provide a summary of rural/urban approved public works projects to date for FY 1988.

ANSWER:

For FY 1988 projects to date, 86% of EDA public works dollars have been approved in rural areas. 87% of the total projects in public works to date have been in rural areas. This represents $43,094,711 in public works approvals, and 72 public works projects.

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